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1 CALIFORNIA HIGH-SPEED RAIL AUTHORITY  
2 THOMAS UMBERG, CHAIRMAN  
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7 In the Matter of the Monthly )  
8 Meeting of the California )  
9 High-Speed Rail Authority )  
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13 TRANSCRIPT OF PROCEEDINGS  
14 Los Angeles, California  
15 Thursday, January 12, 2012  
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22 Reported by:  
23 MARCENA M. MUNGUILA,  
24 CSR No. 10420  
25 Job No.:  
26 B7816MSA

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13 TRANSCRIPT OF PROCEEDINGS, taken at  
14 1 Gateway Plaza, Board Room, Los Angeles,  
15 California, commencing at 10:10 a.m.  
16 on Thursday, January 12, 2012, heard before  
17 the CALIFORNIA HIGH-SPEED RAIL AUTHORITY,  
18 reported by MARCENA M. MUNGUILA, CSR No. 10420,  
19 a Certified Shorthand Reporter in and for  
20 the State of California.

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1 APPEARANCES:  
2 CHAIRMAN: Thomas Umberg  
3 VICE CHAIR: Tom Richards  
4 Lynn Schenk  
5 BOARD MEMBERS: Bob Balgenorth  
6 Russell Burns  
7 Jim Hartnett  
8 Dan Richard  
9 Michael Rossi  
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1      Los Angeles, California, Thursday, January 12, 2012  
2      9:07 a.m.

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5 CHAIRMAN UMBERG: Thank you, ladies and gentlemen, if  
6 we can call the meeting to order. Let's stand and recite  
7 the pledge.

8 Mr. Hartnett, would you lead us in the pledge.

9 MR. HARTNETT: Please join us and salute our flag and  
10 country.

11 (Pledge of allegiance)

12 CHAIRMAN UMBERG: Thank you.

13 A couple of administrative announcements before  
14 we get started. There's a meeting on the fifteenth  
15 floor, a listening session, concerning the small-business  
16 plan for the High-Speed Rail Authority and any of you who  
17 would like to provide your input, we would welcome that  
18 and invite you to participate on the fifteenth floor.

19 The way we'll proceed today is we're going to  
20 begin with Public Comment, and then after Public Comment  
21 we'll take up the agenda.

22 At noon or so, we'll break into Closed Session  
23 and then we'll come back, back on the record.

24 So we are very pleased to be here today in  
25 Los Angeles. Let me ask for Mr. Art Leahy first on the  
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1 Public Comment section.

2 Thank you, Mr. Leahy. There was a person who  
3 looked very much like you in Orange County once upon a  
4 time.

5 MR. LEAHY: Well, you know, I can understand that  
6 because Orange County is one of L.A.'s most important  
7 subregions, so we want to make sure we have good  
8 leadership down there, too.

9 Mr. Chairman, Members, Roelof, welcome to MTA,  
10 welcome to Union Station, and welcome to Los Angeles. We  
11 are pleased to have you here. I understand we are giving  
12 you a pretty good break on the rent today, so we're  
13 pleased to have you at the facility. If there's anything  
14 you need, please let us know.

15 I want to just comment on Union Station. Our  
16 Board of course has been supportive of high-speed rail.  
17 We look forward to the project coming into Union Station.  
18 Union Station is I, think, an unappreciated asset. We  
19 purchased it last year, as you probably know; but trains  
20 are arriving and depart daily here and go to Seattle,  
21 Chicago, New Orleans, San Diego, even Orange County,  
22 Riverside, San Bernardino, Palmdale, North Hollywood,  
23 Long Beach, Pasadena, the city of Santa Monica. Hundreds  
24 and hundreds of train trips every day on MTA, Amtrak, and  
25 Metrolink. A couple thousand busses a day come through  
0009

1 here.

2 This is really the center of transit in Southern  
3 California and of course it's close to such landmarks as  
4 Angels Flight. You can take a train soon from here, go

5 over to Exposition Park. While you're there, you can see  
6 a T-Rex, go to the Coliseum, watch SC beat UCLA.

7 Next year, you can take a train up to Pasadena,  
8 have lunch on Colorado Boulevard, go to the Rose Bowl,  
9 watch SC beat UCLA. It's an all-purpose transit system.

10 The Board has been very supportive of high-speed  
11 rail. There are issues that obviously need to be  
12 addressed. We want to work with you in resolving those  
13 issues. We think the project needs to produce some  
14 initial investments, utility, and has to have  
15 conductivity, and it needs to be a connection to Southern  
16 California. If we can get to Palmdale, I know there's  
17 been a lot of discussion going on on that approach, that  
18 opens up the door to L.A. and San Diego and Riverside.

19 We look forward to working with you as we  
20 confront and resolve the issues which are out there. We  
21 think the project needs to proceed.

22 If we can assist in any fashion with local  
23 outreach here in L.A. County, we want to be your  
24 partners. Whatever we can do to help move this project,  
25 we'd be pleased to do.

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1 Again, if you need anything today, let us know  
2 and we'd be pleased to provide whatever help we can.  
3 Thank you very much.

4 CHAIRMAN UMBERG: Thank you, Mr. Leahy.

5 Also, from SCAG, Mr. Hassan Ikrata.

6 Mr. Ikrata, I know you're here.

7 Well, all right.

8 And before we begin with Public Comment, I want  
9 to recognize the Deputy Administrator of the Federal  
10 Railroad Administration, Ms. Karen Hedlund, who's here  
11 with us today.

12 Karen, where's Karen?

13 There's Ms. Hedlund. Thank you very much and  
14 thank to FRA for being such stalwart partners in this  
15 huge, challenging project and visionary project. Thank  
16 you.

17 Let's begin with Public Comment. As I've  
18 mentioned at earlier meetings, we have quite a bit -- it  
19 looks like probably a hundred green cards here for Public  
20 Comment. If someone before you speaks, if they -- if  
21 their comments are reflective of your views, feel free to  
22 go ahead and adopt their comments.

23 So let me begin with Mr. Tom Moxley, followed by  
24 Mr. John Walsh, followed by Mr. Frank Oliveira.

25 MR. MOXLEY: Well, good morning. It's good to see

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1 you again, Mr. Umberg.

2 My name is Tom Moxley. I'm a business agent of  
3 Iron Workers Local 433 -- Mr. Balgenorth -- and  
4 high-speed rail is a winner for California. It's a  
5 better transportation of moving people and goods and  
6 services, it's another part of the puzzle to clean up our

7 environment by reducing emissions, and definitely it's  
8 about the jobs.

9 California's overcrowded roads and highways need  
10 something down. We can either spend a lot more money on  
11 more roads and highways, which is fine with us -- we're  
12 in the construction trades -- or go to a system that's  
13 proven in other parts of the world to be proven to move  
14 people faster and cheaper. Just look at Asia, Europe,  
15 Japan.

16 And construction and unemployment is at  
17 30 percent. I can tell you for ironworkers in Local 433  
18 here locally it's at 40 percent, with 60 percent  
19 underemployment.

20 Let me give you a personal. I deal with my  
21 members. They've lost their homes. They've been  
22 unemployed, some of them, for over two years. They've  
23 lost their homes, their wives -- and that may be a good  
24 thing or a bad thing -- but we've also -- the tragic part  
25 is we've had -- and I deal with the families, but we have  
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1 despondent workers who, for whatever reason, I think it's  
2 a little bit rash, but they've committed suicide because  
3 of the economic thing. The last one was a 23-year-old  
4 man, a young man with a life ahead of him that didn't see  
5 any future.

6 We've been talking about high-speed rail here in  
7 California for decades. It's now time to put it in  
8 place. It's good.

9 The questions were asked, Well, it's going to  
10 start up in the San Joaquin Valley. And I'm in favor of  
11 that after looking at the overall plan and need, but that  
12 will still create jobs here. We have in Orange County  
13 the ARTIC project, which is going to be BART, is being  
14 designed for the high-speed rail to go through there,  
15 which will create jobs here in Orange County.

16 We have Union Station right here where it will  
17 go through and there will have to be modernization and  
18 changes to that.

19 It also creates jobs that are not directly  
20 construction jobs. Whenever a large construction project  
21 happens in any given area, there are restaurants that  
22 increase the number of people that go to work there.  
23 There are building suppliers, whether it's concrete,  
24 steel, whatever, that puts more people to work and those  
25 are indirect jobs associated with these types of  
0013

1 projects. This will not just be construction jobs, but  
2 all the other ones, from more porta-potties that one of  
3 the companies may put on another few people to service  
4 those and put them out there, to restaurants, and it  
5 spurs the economy of local towns, especially up in the  
6 San Joaquin Valley and small towns where they see more  
7 construction workers and people who spend more money and  
8 it spurs the economy.

9        We learned this from F.D.R. when we were in the  
10 Great Depression and he started the TVA and those  
11 programs that put people to work. When construction  
12 workers go to work, it spurs the economy to put others to  
13 work and those social programs like education and stuff  
14 become funded.

15        I thank you for your time and I ask you to  
16 consider this and let's move forward with high-speed  
17 rail. Thank you.

18        CHAIRMAN UMBERG: Thank you. Thank you, Mr. Moxley.

19        We're also pleased to have Supervisor Mike  
20 Antonovich here. Supervisor Antonovich, thank you for  
21 your invitation. Thank you for your leadership on this  
22 issue. Why don't we --

23        MR. WALSH: Oh, are you going to speak?

24        CHAIRMAN UMBERG: That must be Mr. Walsh.

25        MR. WALSH: He's in favor. I'm against.

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1        SUPERVISOR ANTONOVICH: I won't flag my arms around.

2        MR. WALSH: We're both teachers in LAUSD, though;  
3 right.

4        SUPERVISOR ANTONOVICH: We were. I guess you still  
5 are.

6        Thank you, Mr. Chairman, Members of the  
7 committee. It's a pleasure to be here. Let me just  
8 state the representation that I represent not just the  
9 Board of Supervisors, but also the Metropolitan Transit  
10 Authority had voted to support the Palmdale alignment.

11        This alignment has the support of members of the  
12 15 town councils from the Antelope Valley. You have  
13 received letters from the three mayors of Santa Clarita,  
14 Palmdale and Lancaster, as well as well as the High  
15 Desert Corridor JPA, the Antelope Valley Transit  
16 Authority, and as I mentioned the Los Angeles County MTA.

17        Going through this Antelope Valley, through  
18 Palmdale instead of Santa Clarita, is approximately the  
19 same price. However, it adds hundreds of thousands more  
20 riders annually to the system and involves less  
21 tunneling, will be more environmentally sensitive to the  
22 region, and has the opportunity to spur greater economic  
23 growth in the County of Los Angeles; specifically, the  
24 North County.

25        As you may know, the DesertXpress is moving

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1 forward. They're turning ground this year. That's that  
2 segment between Victorville and Las Vegas. It's an  
3 80-minute train ride, \$75 one way. They plan to have it  
4 operational by 2016. We're working on having a spur from  
5 Victorville to the Palmdale Airport, which will also spur  
6 economic development, but also it would be another reason  
7 to consider having the Palmdale station as a location for  
8 the high-speed rail.

9        Thank you very much for taking me out of order.  
10 I appreciate that and look forward to working with you in

11 the years ahead.

12 Thank you, Mr. Chairman.

13 CHAIRMAN UMBERG: Thank you, Supervisor Antonovich.  
14 We look forward to working with you, MTA, the Board of  
15 Supervisors, and we appreciate your leadership.

16 SUPERVISOR ANTONOVICH: Thank you sir.

17 CHAIRMAN UMBERG: Now Mr. Walsh.

18 MR. WALSH: John Walsh with United Riders of  
19 Los Angeles.

20 CHAIRMAN UMBERG: Mr. Walsh, if I could ask you just  
21 to hold back for just one minute.

22 MR. WALSH: A little louder?

23 CHAIRMAN UMBERG: No. You're plenty loud. Thank you  
24 very much.

25 In terms of public comments, we're going to use

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1 the same rules as we use in Sacramento. Each speaker  
2 will be allotted 90 seconds initially. If it looks as  
3 though we're simply not going to be able to get our  
4 business done today, I may cut that to one minute, but  
5 we'll start with 90 seconds.

6 MR. WALSH: Or one second or millisecond?

7 CHAIRMAN UMBERG: Hang on for one second, Mr. Walsh.

8 If you do desire to make public comment, you  
9 need to fill out one of the green cards. Typically we  
10 end the green card submission at the start of the  
11 meeting. However, because we're in a new place or at  
12 least a place where we haven't been for some time, you  
13 need to submit your green card for comment by 10:30.  
14 After that, we'll take no further cards for comment.

15 All right. With that, Mr. Walsh, go ahead.

16 MR. WALSH: John Walsh. Visit us at  
17 Hollywoodhighlands.Org or just google "Walsh  
18 confidential."

19 Here it is, California rail news. High-speed  
20 rail route is a gerrymander and these people are in favor  
21 of rail. These people think it's a great deal. Here are  
22 some pictures off the iPad of these gorgeous, sexy  
23 trains. I don't know. Do I have a dirty mind or do  
24 these bullet trains look an awful lot like penises?

25 That's fine.

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1 Now, we had a bad omen at the start of the  
2 meeting, ten minutes late. If you can't even start your  
3 damn meeting on time, how are you going to meet your 2033  
4 deadline?

5 This is what we're asking. We're asking for  
6 another vote. You fooled us the first time and we voted  
7 for rail, for high-speed bullet trains, and it turned out  
8 to be three times more than you said it was, 100 billion  
9 dollars and counting, not 33 billion. So let's put it  
10 back on the ballot.

11 And your Advisory Committee said something  
12 simple. They said, Either put it on the gas tax or raise

13 the sales tax. I challenge you, because this time you  
14 won't even get 25 percent of the vote because you lied to  
15 us last time. The first time we voted for it, shame on  
16 you. The second time if we vote on it, shame on us. We  
17 want to win.

18 This whole system is a mess, the bullet train.  
19 Let's take your bullet train and take your gun and take  
20 everything and your test track for 200 billion dollars.

21 And the unions, don't believe them. Thank you  
22 very much and go back to Sacramento. We want another  
23 election. You are finished.

24 CHAIRMAN UMBERG: Thank you, Mr. Walsh.

25 MR. WALSH: Hollywoodhighlands.org.

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1 CHAIRMAN UMBERG: Mr. Walsh, I notice you filled out  
2 ten green cards.

3 MR. WALSH: But we only get 90 seconds. We can't do  
4 anything in 90 seconds.

5 CHAIRMAN UMBERG: You can fill out as many as you  
6 wish to fill out, but each of you will be allotted  
7 90 seconds for your public comment on whatever you'd like  
8 to comment upon, whatever agenda item.

9 MR. WALSH: They're really fair, aren't they? MTA  
10 gives you 10 minutes, 20 minutes.

11 CHAIRMAN UMBERG: Just so there's no surprises --

12 UNIDENTIFIED SPEAKER: Sit down.

13 MR. WALSH: Shut up.

14 CHAIRMAN UMBERG: Just so there's no surprises --

15 MR. WALSH: They're threatening me.

16 CHAIRMAN UMBERG: When you come up to the podium,  
17 you'll have 90 seconds to comment on whatever agenda item  
18 you wish to comment upon; and if you filled out several  
19 cards, then you should take your 90 seconds and make  
20 comment as to all the issues that you wish to comment  
21 upon. Okay?

22 All right. Next, Mr. Oliveira.

23 MR. OLIVEIRA: Hello. My name is Frank Oliveira.  
24 I'm the co-chairman of the Citizens for California  
25 High-Speed Rail Accountability. I spoke before you many

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1 times.

2 Per my card, I'm speaking about agenda item two,  
3 communications.

4 On your website -- well, as many of you know,  
5 that there are problems in the Central Valley with your  
6 project. If you go to your website, there's nothing but  
7 rosy pictures, happiness, and no reflection that there  
8 are problems.

9 Looking under key facts, the big picture, you  
10 have seven items. This is off your website.

11 The first one says that you're committed, okay,  
12 to environmental responsibility and better mobility.  
13 That's fine.

14 Item number two: High-speed train will be a

15 legacy to California's future; a legacy of debt.

16 Number three: Reaching our goals will take  
17 vision, leadership, and commitment; vision and leadership  
18 to use other people's money to accomplish this task.

19 Number four: High-Speed Rail Authority is  
20 collaborating with local, state, federal agency partners  
21 to identify solutions that deliver the most public  
22 benefit for the least negative impacts.

23 See this route (indicating)? Everything in red  
24 are governments that say you're not doing that. You're  
25 just not considering that. Large projects always -- are  
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1 always challenging and complex. That is why you're  
2 committed to working with the public to find solutions.  
3 That's why you cut us off if we're from Kings County.  
4 You don't let us talk or you cut our time.

5 Would you like me to go?

6 CHAIRMAN UMBERG: I think your time is expired,  
7 Mr. Oliveira.

8 MR. OLIVEIRA: Thank you. Do you want me to finish?

9 CHAIRMAN UMBERG: Well, if you care to send us  
10 written comment, we'd be happy to read them as we do --

11 MR. OLIVEIRA: Okay.

12 CHAIRMAN UMBERG: -- but each person is allotted  
13 90 seconds.

14 MR. OLIVEIRA: The first guy was allotted more time  
15 than that. The first guy was allowed three minutes. Do  
16 I get three minutes like him?

17 CHAIRMAN UMBERG: Thank you, Mr. Oliveira.

18 MR. OLIVEIRA: Very good. Thank you.

19 CHAIRMAN UMBERG: Next, Supervisor Perea, followed by  
20 Dr. Buashie, followed by Mr. Matt Leehy.

21 SUPERVISOR PEREA: Chairman, Members of the Board,  
22 Mr. Van Ark, thank you for being here today and thank you  
23 for your leadership on this very critical issue for  
24 California.

25 I would first like to thank you for taking the  
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1 time to consider the targeted unemployed worker hiring  
2 criteria that you'll be hearing today in item number  
3 three. These are recommendations that were developed by  
4 Fresno in subcommittee and led by Blake Konczal, our  
5 education coordinator of that committee. He's done an  
6 amazing job working on this project. Many people  
7 collaborated with him on the recognized language and  
8 careful consideration went into the language development.  
9 It is imperative that this language be included as we  
10 approach the RFP process.

11 High-speed rail is first and foremost about  
12 efficiently moving Californians up and down the state and  
13 addressing future transportation needs, but the job  
14 creation high-speed rail brings with it cannot be  
15 ignored.

16 The most recent unemployment statistics show

17 that the Fresno metropolitan area is at a standing of  
18 15.7 percent of unemployment rate. This is significantly  
19 higher than the state's unemployment rate of  
20 11.3 percent. It would be a lost opportunity not to  
21 employ unemployed workers living in those targeted  
22 unemployment -- or targeted employment areas,  
23 particularly with construction on a massive  
24 infrastructure project which is happening in our own  
25 backyards.

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1 The only request we would have on your  
2 consideration of item number three is the recommended  
3 action, and that is that you direct your staff to  
4 complete its work on it through a work group or work  
5 study group, bring it back to you in February, and that  
6 you adopt the language as a matter of policy of this  
7 Board. That would be our only recommended change to what  
8 you're taking on today. Thank you, sir.

9 CHAIRMAN UMBERG: Thank you, Supervisor.

10 Dr. Buashie?

11 DR. A-SELAH: Good morning, ladies and gentlemen. My  
12 name is Dr. Buashie A-Selah. I'm also with Senator  
13 Price. I co-chaired with him on a couple of his trades.

14 I'm really disappointed to say that looking at  
15 the way the outreach has been done in Southern California  
16 for high-speed that other companies are not considered.  
17 And looking at the list, it looks like it's the usual  
18 suspect and it's really disappointing to say that this  
19 younger generation are not included in doing outreach.

20 We did the Southern California Census outreach.  
21 We had people from Caltrans and our organizations and  
22 we've been reaching out to help the organizations do a  
23 really effective outreach. As you can see, a lot of  
24 people are very dissatisfied and I don't think that's a  
25 good way to continue doing business when your public is

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1 dissatisfied. I think you should really consider  
2 listening to people and taking on a newer idea in how to  
3 make this work for you.

4 Thank you so much.

5 CHAIRMAN UMBERG: Thank you. Mr. Matt Leehy,  
6 followed by Ross -- I believe it's Brown or Browning.

7 MR. LEEHY: Thank you, Chairman. I'm Matt Leehy with  
8 the Fresno Regional Workforce Investment Board. I'd like  
9 to reserve my time for the item number three and let you  
10 know that the Fresno Regional Workforce Investment Board  
11 is here to answer any questions about that item.

12 CHAIRMAN UMBERG: Thank you, but we're going to take  
13 all Public Comment right now. So if there's something  
14 you want to say on item number three, then now's a good  
15 time to say it.

16 MR. LEEHY: Very good. Then I would like to  
17 underscore the Fresno Workforce Investment Board's  
18 willingness and eagerness to work with the Authority to

19 make more perfect recommendations if that's the desire.

20 Thank you.

21 CHAIRMAN UMBERG: Thank you.

22 Mr. Ross Browning or Brown?

23 MR. BROWNING: If I can get out of the chair, yes.

24 Good morning. My name is Ross Browning. I live  
25 in Laton, California. I'd like to speak to you this

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1 morning about jobs, whether it's jobs or job years. I  
2 have no idea anymore.

3 But there's a number going around, a million or  
4 what, a million jobs. All right? You guys made the  
5 front page of the Mercury News. A million jobs depends  
6 how you've counted them. Do you mean job years? When we  
7 look at something, is a job year over a five-year period?  
8 Is it over a 10-year period? Is it a over 22-year period  
9 or a 35-year period? I've seen all kinds of numbers. I  
10 don't know.

11 The Board stated that there was no intention --  
12 it was not intentionally to mislead the public. Well,  
13 after this number of jobs was stated over and over as  
14 many times as it has been, the public is -- they're --  
15 it's a misleading thing to the public.

16 I think this Board needs to apologize to the  
17 public for misleading us and I think you owe an apology  
18 to the labor unions, those people that think that they  
19 are going to find a million jobs, based -- and actions  
20 that they took. That's all I have to say.

21 Thank you.

22 CHAIRMAN UMBERG: Thank you. Mr. Bernich, followed  
23 by Jeremy Stutes, followed by I think it's Marc Victoria.

24 Mr. Bernich, Michael Bernich?

25 MR. BERNICH: Mr. Chairman, I'm here also for the  
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1 Fresno presentation, but if you like, I'll do it real  
2 quickly now.

3 CHAIRMAN UMBERG: I may have miscommunicated. What  
4 we're going to do is take all public comments here at the  
5 beginning of the meeting, irrespective of which agenda  
6 item you wanted to speak about.

7 So for those of you out there that have  
8 submitted green cards, I recognize that you've submitted  
9 them perhaps on different agenda items; but when I call  
10 you to the podium, now's your opportunity to comment on  
11 whichever agenda item it is that you'd like to speak  
12 about.

13 So thank you, sir. Go ahead.

14 MR. BERNICH: I'm going to be very quick. I've been  
15 working with the WIB now. We've spent a lot of time on  
16 this in terms of trying to get a policy that meets the  
17 federal requirements in terms of local hire, that meets  
18 DOT's regulations on local hire. I think we've finally  
19 come up with something. I think it's strong. I think it  
20 balances various interests and it also meets the very

21 high employment as you'll hear from others in the Valley  
22 and the possibilities in terms of both the unemployed  
23 workers and moving new workers in.

24 I'd finally say I've been following this project  
25 for 20 years. Dan and I were on the Work Board together.

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1 I was EDD director when Lynn was our Chief of Staff. I  
2 would just say as an individual this is the key project.  
3 I've seen 30 -- been involved probably over the last 30  
4 years in many economic development projects for the  
5 Valley. This is the one project, the one project, that  
6 will really link the Valley to the rest of the state and  
7 truly build up that economy.

8 Thank you.

9 CHAIRMAN UMBERG: Thank you, sir.

10 Mr. Stutes, followed by -- again, I believe it's  
11 Marc Victoria.

12 MR. STUTES: Good morning. My name is Jeremy Stutes.  
13 I'm here representing two organizations today, the first  
14 one being Californians 4 High-Speed Rail and the second  
15 one being Rail L.A. and I just really wanted to speak out  
16 in favor of the project.

17 I am so excited about the future of high-speed  
18 rail as a young person. Being able to see the ability to  
19 move across the state quickly and efficiently is  
20 something that I definitely am in favor of and I just  
21 think it needs to happen as soon as possible. The  
22 economic climate is right, the timing is right, and we  
23 really need to rally in support of this rail line and I  
24 am currently in favor of the current proposal to move  
25 forward.

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1 I was listening on air talk the other day and  
2 there were some great comments that were made on KBCC in  
3 support of high-speed rail and I just really wanted to be  
4 here today to say thank you for all the hard work you've  
5 done and to support you for the future.

6 CHAIRMAN UMBERG: Thank you, Mr. Stutes.

7 Mr. Victoria, followed by Ron Miller, followed  
8 by Paul Dyson.

9 MR. VICTORIA: Good morning. Thank you very much for  
10 taking me and yes, it is Marc Victoria. Sorry for my  
11 poor writing there.

12 So I am with the California Labor Federation.  
13 We represent over 2.1 million union members across the  
14 State of California and I just wanted to stand here with  
15 our other union brothers and sisters that are in the room  
16 and say that we very much support this project. We  
17 support the jobs that it's going to create not only in  
18 the Central Valley but throughout the entire state, as  
19 was said before, not only just with construction but with  
20 all the other areas that are going to be used for  
21 supporting this project as well.

22 So I just want to stand here and say California

23 Labor Federation does support this project in the  
24 entirety.

25 Thank you.

0028

1 CHAIRMAN UMBERG: Thank you, sir.  
2 Mr. Miller, followed by Mr. Dyson.

3 MR. MILLER: Good morning. I'm Ron Miller, Council  
4 representative for the L.A. and Orange County building  
5 trades. The Council represents 140,000 workers,  
6 craftsmen and women in L.A. and Orange County. Of that  
7 140,000, about 18,000 are craft apprentices in 14  
8 individual trades. We are training tomorrow's workforce.  
9 The vast majority of these apprentices are from high  
10 schools in L.A. and Orange County. Currently, the trades  
11 face unemployment figures in the 50 percent range. With  
12 this recession, we have been hit harder than most with a  
13 lot of our members struggling to keep their homes due to  
14 the fact that they have been out of work for a year or  
15 more.

16 In Los Angeles and Orange County, we are a  
17 construction workforce. We build everything from  
18 apartment houses, high-rise office buildings, schools,  
19 universities, power plants who will maintain refineries,  
20 football stadiums, hospitals, and modern transportation  
21 systems. We have the highly skilled craftsmen and women.  
22 With our apprenticeship programs, we have the foresight  
23 to put training at the top of our list to maintain the  
24 skills necessary to handle the infrastructure that will  
25 last for decades and meet the needs of California.

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1 A visionary in the past was Governor Edmund G.  
2 Brown. In the late '50s, Pat Brown had the foresight and  
3 the political fortitude to preside over the last great  
4 expansion of infrastructure in California, the overseeing  
5 of the creation of a modern freeway system, the building  
6 of dams, waterways, canals, and the great university  
7 system that's known worldwide today.

8 It is with great pride that we are aware -- we  
9 are aware that his legacy lives on in his son, the  
10 current Governor of California, and we are hopeful that  
11 this Board and the Governor has the foresight and the  
12 political fortitude to keep this high-speed rail alive,  
13 help California retain its competitiveness in the 21st  
14 century.

15 It is important to plan for the future and  
16 relieve the overcrowding of our city freeways and  
17 airports and at the same time get the men and women back  
18 to work in California.

19 CHAIRMAN UMBERG: Thanks, Mr. Miller.

20 MR. MILLER: Thank you.

21 CHAIRMAN UMBERG: Mr. Dyson, followed by Mayor pro  
22 tem Hofbauer.

23 MR. DYSON: Good morning. My name is Pal Dyson. I'm  
24 the president of the Rail Passengers Association of

25 California. We're an all-volunteer, nonprofit advocacy  
0030

1 group. We've been supporters of high-speed rail since I  
2 joined the group in 1980; however, I have to say that we  
3 support the findings of the Peer Review Committee.

4 We now feel it makes no sense to build an  
5 isolated segment in the Central Valley which will have no  
6 value for taxpayers or for passengers for many years, if  
7 ever.

8 Here we stand in the second-largest city in the  
9 United States. We need to start construction here where  
10 we will have some real value to the people in California.  
11 We need to build out to Palmdale and then connect to  
12 Bakersfield, use that as building blocks to build out the  
13 system from there. We're wasting our money spending  
14 money in the Central Valley on an isolated system.

15 Thank you.

16 CHAIRMAN UMBERG: Mayor pro tem Hofbauer, followed by  
17 I believe it's Saynne Redifer.

18 MAYOR HOFBAUER: Chairman, Board, thank you very much  
19 for having us here today. We appreciate you guys having  
20 this meeting down here for us to address you. I'm the  
21 mayor pro tem of the city of Palmdale. I'm also on the  
22 SCAG Regional Council.

23 We're very happy to hear that under item four,  
24 the High-Speed Rail Authority staff is recommending that  
25 you uphold the 2005 program EIR/EIS for the  
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1 Antelope Valley alignment with the station in Palmdale.

2 We're also pleased to hear that if the staff  
3 representation is approved, it will end further studies  
4 of the I-5 Grapevine alignment.

5 On behalf of the Council, the City of Palmdale,  
6 and our residents, I urge you to adopt the staff  
7 recommendation. You have tremendous support from the  
8 Palmdale City Council. We also -- Chairman, you have  
9 letters from Lancaster, Santa Clarita, the Board of  
10 Supervisors. The alignment's also supported by my  
11 colleagues on the SCAG Regional Council as well, and  
12 Mayor Ledford and Council Member Lackey recently  
13 addressed you.

14 The City has been a consistent and vocal  
15 advocate of a high-speed rail connection because its  
16 construction -- with its construction through the  
17 Antelope Valley, the system will increase transportation  
18 options for our residents and generate considerable  
19 potential for local economic development. There's very  
20 little support for an I-5 alignment by the stakeholders  
21 in the A.V. and Santa Clarita. Today, in addition to my  
22 testimony, you'll hear from a number of our residents,  
23 stakeholders, and business groups that have traveled over  
24 two hours to show their support here.

25 There's a number of advantages for this  
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1 alignment. The ridership, you have a potential for over  
2 500,000 additional riders in that Antelope Valley. We  
3 cannot ignore that population area out there. We need to  
4 close this gap to Bakersfield, to L.A., and we can do  
5 this with the bookend system that you guys are looking to  
6 adopt.

7 CHAIRMAN UMBERG: Thank you.

8 MAYOR HOFBAUER: Thank you very much.

9 CHAIRMAN UMBERG: I'm sure I mispronounced your name,  
10 but go ahead. Is it Redcliff?

11 MS. LILE: No. Chairman, Saynne Redifer and several  
12 other folks from Palmdale were trying to accede their  
13 speaking time to Mayor pro tem Hofbauer. Ms. Redifer is  
14 willing to give her time up today as well as some of the  
15 other folks with our group.

16 UNIDENTIFIED SPEAKER: No. Violation of the Brown  
17 Act.

18 CHAIRMAN UMBERG: Let me just make a comment.

19 When I was a young lawyer and I went to court  
20 with a senior lawyer and we saw on a motion that the  
21 judge had tentatively ruled in our favor and I was to  
22 argue the motion, the senior lawyer told me that When the  
23 judge is going your way, you may not want to talk him out  
24 of it.

25 But anyway, I don't want to inhibit your

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1 comments. But -- anyway, so next, Ms. Alicia -- I see  
2 we've got quite a number here.

3 Ms. Alisha Semchuck?

4 MS. SEMCHUCK: I gave my time to Mayor pro tem  
5 Hofbauer.

6 CHAIRMAN UMBERG: Okay. Mayor, did you have anything  
7 else you wanted to say?

8 MAYOR HOFBAUER: Sir, I just had a couple of items to  
9 wrap this up and I just want to make sure that we make  
10 sure that we understand that your alignment has --  
11 through the Antelope Valley has fewer economic -- I mean,  
12 has fewer environmental impacts, less potential for  
13 impact to biologic resources. You can avoid the whole  
14 hassle with the National Forest issue that you would have  
15 going up the I-5.

16 Again, this alignment really falls into place  
17 with the Regional Transportation Plan. It will really  
18 help with SB 375 requirements that the cities reduce  
19 greenhouse gasses and our transportation problems.

20 The city is uniquely positioned to become a hub  
21 with our interconnection to the -- with the bus and  
22 commuter facilities, with the airport that we're bringing  
23 online, and with the DesertXpress.

24 So that's basically it. I just wanted to  
25 summarize that on behalf of the members of our community

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1 and our business representatives.

2 CHAIRMAN UMBERG: Thank you.

3       MAYOR HOFBAUER: Thank you, sir.  
4       CHAIRMAN UMBERG: If anyone else here -- again, I've  
5       got a number of cards in support of what I refer to as  
6       the tentative. If I call you and you want to adopt  
7       Mayor Hofbauer's comments, just let us know.

8       All right. Next, Mr. John Mylar.

9       MR. MLYNAR: I adopt.

10      CHAIRMAN UMBERG: Okay. Then Mr. Bill Padilla?

11      MR. PADILLA: I adopt.

12      CHAIRMAN UMBERG: Okay. Eileen Reynolds, followed by  
13     Sharon Neely.

14      MS. REYNOLDS: Good morning, Mr. Chairman and  
15     Members. I'm Eileen Reynolds. I represent the Tejon  
16     Rancho Company. I'm the Vice President for Government  
17     Affairs.

18       First, I want to commend the staff and the  
19     consultants for the report that they prepared. It was  
20     very thorough, they took a lot of time to do it, and they  
21     did it right. We appreciate that.

22       I also wanted to recommend that you support  
23     today the resolution that's been prepared by your staff  
24     pursuant to the recommendation, and I also want to  
25     clarify one thing about the conceptual study.

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1       There were a few sentences in there that  
2     declared that Tejon Ranch didn't want the high-speed rail  
3     to cross its property. Well, that's not necessarily the  
4     property. It will cross our property along Highway 58 at  
5     the northernmost section of our land and we've been  
6     cooperating with High-Speed Rail Authority staff and  
7     consultants in the past several months granting access to  
8     study this area. So we are by no means antirail as far  
9     as it goes across our land and we support the Palmdale  
10    alignment and urge you to vote "aye" today on the  
11    resolution.

12      CHAIRMAN UMBERG: Thank you, Ms. Reynolds.

13       Ms. Neely, followed by Mr. Dan York, followed by  
14     Councilmember McLean.

15      MS. NEELY: Good morning. I'm Sharon Neely. I'm the  
16     Deputy Executive Director for the California Association  
17     of Governments. Mr. Ikrata had to leave but wanted me  
18     to convey to you his sincere appreciation for extending  
19     the Public Comment to January 16th on the draft Business  
20    Plan in order that our Board could consider last Thursday  
21     your draft Business Plan, and we thank Mr. Richards, who  
22     came and had an extremely productive discussion with our  
23     Board and are extremely supportive of your fine staff's  
24     efforts.

25       We also -- I don't want to take additional time,

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1     but we are in support of Mr. Leahy's comments on working  
2     with you on the blended approaches discussed in Chapter 2  
3     of the business plan, and Metro, as well as the County of  
4     L.A., is one of our 191 member agencies to our

5 organization, including Mr. Antonovich, and we also  
6 support his recommendations and Mr. Hofbauer on  
7 supporting your recommendation on number four.

8 We thank you for your continued partnership. We  
9 look forward to working with you here in Southern  
10 California.

11 And, again, we thank Mr. Richards for his  
12 extensive participation last week. Thank you.

13 CHAIRMAN UMBERG: Thank you.

14 Mr. York, followed by Councilmember McLean.

15 MR. YORK: Thank you, Chairman and Board Members. My  
16 name is Dan York and I'm the Associate Director of  
17 Wildlands Conservancy. Wildlands Conservancy owns and  
18 operates 12 nature preserves across eight counties in the  
19 state of California. We provide public access and free  
20 outdoor education for children.

21 One of our primary reserves is the Wind Wolves  
22 Preserve in Southern Kern County and I'm here on behalf  
23 of the organization to express support for your staff  
24 recommendation of the Antelope Valley alignment, along  
25 with Supervisor Antonovich and Mayor Hofbauer.

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1 CHAIRMAN UMBERG: Thank you.

2 Councilmember McLean, followed by

3 Ms. Laurie Lile, followed by Mike I believe it's Behen.

4 MS. MC LEAN: Hi, good morning. Welcome to Southern  
5 California. I am Councilwoman Marsha McLean, the  
6 immediate past mayor of the city of Santa Clarita, and I  
7 also sit on SCAG transportation committee and share the  
8 seat with San Fernando, the City of San Fernando Regional  
9 Council.

10 Our council had voted previously to support the  
11 Palmdale line and we continue to do that; however, there  
12 are still some extremely serious impacts to residents,  
13 schools, and the environment to our community, so I  
14 wanted you to hear that.

15 Also, I don't know if you're going to be  
16 discussing the MOU during your Business Plan portion  
17 today, but I just wanted to mention that it's a great  
18 idea. It just needs to have some meat to it and  
19 hopefully you will work with SCAG in order to make sure  
20 there is a matrix for the time line, for the commitments,  
21 and to upgrading the existing infrastructure, which is  
22 extremely important now in order to be ready for the  
23 high-speed rail when and if it makes it out to our area.

24 And it's extremely important I think for your  
25 public relations and such to make sure that that does

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1 have some meat in it.

2 So I'm very pleased. I heard Mr. Dan Richards.  
3 I'm very pleased that you're taking the stand and  
4 understand that you really do need to upgrade existing  
5 infrastructure now in order for it to tie in to your  
6 projects in the future.

7       Thank you.  
8    CHAIRMAN UMBERG: Thank you, Councilwoman.  
9       Ms. Laurie Lile, followed by Mr. Brehen,  
10   followed by Vicki Medina.  
11    MS. LILE: Thank you, Mr. Umberg, and thank you  
12   High-Speed Rail Commission for allowing us to speak  
13   today.

14       I represent the City of Palmdale and we are  
15   really pleased to ask you to support the staff's  
16   recommendation on the decision on item four to support  
17   the alignment through the Antelope Valley.

18       We've worked really closely with your staff. We  
19   continue to look forward to that relationship. We feel  
20   like the staff has done a very thorough analysis of the  
21   issues on the Grapevine and we concur with those findings  
22   and request your support.

23       Thank you very much.

24    CHAIRMAN UMBERG: Mr. Behen, followed by Ms. Medina,  
25   followed by Mr. Bob Snoddy.

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1       MR. BEHEN: Good morning, Mr. Chairman, Members of  
2   the Board. Michael Behen, City of Palmdale Public Works  
3   Department.

4       The City of Palmdale supports the recommendation  
5   to continue further study of the Antelope Valley  
6   alignment. We urge the Board to support staff's  
7   recommendations so that we can move forward to make that  
8   final determination for an alignment in the  
9   Antelope Valley and also to continue the planning that's  
10   required as part of the future station that will be in  
11   the city of Palmdale.

12       So with that, I appreciate your time. Thank  
13   you.

14       CHAIRMAN UMBERG: Thank you, Mr. Behen.  
15       Ms. Padilla, Mr. Snoddy, followed by Mr. Russell  
16   Monroe.

17       MS. MEDINA: Good morning. Thank you for your time.

18       I'm Vicki Medina, Executive Director of the  
19   Antelope Valley Board of Trade. As a regional economic  
20   development and business advocacy organization, the  
21   Antelope Valley Board of Trade supports the efforts to  
22   provide high-speed rail. Bypassing the Antelope Valley  
23   will result in the alienation of constituents and voters  
24   who supported the project in the Statewide bond funding  
25   approved in 2009 to support construction of the system.

0040

1       The Antelope Valley has a huge military and  
2   aerospace presence. The military and aerospace  
3   facilities installations included Edwards Air Force Base,  
4   Air Force Plant 42 in Palmdale, NASA Drive and Flight  
5   Research Center at Edwards Air Force Base, NASA Drive and  
6   Aircraft Operations Facility at Plant 42 in Palmdale,  
7   Lockheed Martin, Boeing, Northrop Grumman, CL Composites,  
8   and many others.

9 There are thousands of military personnel,  
10 government employees and contractors and aerospace  
11 workers traveling daily to and from places in other parts  
12 of California and the Antelope Valley. NASA has  
13 facilities in Pasadena and the San Jose area that will be  
14 more accessible to local NASA staff.

15 The Antelope Valley Board of Trade urges you to  
16 not divert from your plan to bring the rail through the  
17 Antelope Valley Palmdale station.

18 Thank you.

19 MR. RICHARDS: Thank you, ma'am.

20 Bob Snoddy, followed by Russell Monroe.

21 MR. SNODDY: Good morning. Bob Snoddy from Kern  
22 Council of Governments, and we'd like to give our full  
23 support for agenda item four. We adopt all the comments  
24 from Palmdale through Supervisor Antonovich and we look  
25 forward to working with your staff and also our planning  
0041

1 partners over in the Antelope Valley on that next.

2 MR. RICHARDS: Thank you, Mr. Snotty.

3 Russell Monroe, followed by Rich Poston.

4 MR. MONROE: Good morning. In 2011, I read an  
5 article in the Orange County Register newspaper that  
6 proposed to change the high-speed rail that would bypass  
7 the Palmdale area. In the ensuing months, I have  
8 contacted the Mayor of Palmdale, Jim Ledford, and the  
9 Los Angeles Board of Supervisors with my suggestions  
10 concerning the high-speed rail system as it applies to  
11 Palmdale. By the way, I do reside in the city of Orange.  
12 It has brought me to this meeting today.

13 Palmdale must be considered a hub of the rail  
14 system serving Southern California. It would provide  
15 much-talked-about need for transporting passengers  
16 between Los Angeles basin and a new Palmdale  
17 International Airport. It would be the only feasible  
18 route and a terminal for a Los Angeles to Las Vegas  
19 high-speed train. That route would 70 percent be through  
20 federal lands, thereby avoiding the costs and delays  
21 associated with right-of-ways through private land,  
22 et cetera. Much of the rail system exists today and  
23 would only have to be upgraded to meet the high-speed  
24 requirements.

25 In closing, I want to leave you with this:  
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1 Las Vegas has seen the writing on the wall. They are  
2 building a new airport 17 miles outside the city in the  
3 small town of Jean. That airport will serve cargo only,  
4 no passengers. The existing McCarran Airport will be for  
5 passenger service only. I feel that following the  
6 example of Las Vegas, LAX must become the cargo-only  
7 airport and Palmdale International Airport passenger  
8 only. I want to thank you --

9 CHAIRMAN UMBERG: Thank you, sir.

10 MR. MONROE: -- and the City of Palmdale is ready.

11 CHAIRMAN UMBERG: Thank you, sir.  
12 Mr. Rich Poston, followed by Mr. Sierra,  
13 followed by Juan Blanco.  
14 MR. POSTON: Good morning, Mr. Chair and the entire  
15 Board. I'm addressing item number four. I'm  
16 Rich Poston, chairman of the Board for the  
17 Antelope Valley Black Chamber of Commerce and also the  
18 Council of Chambers, with the California Black Chamber,  
19 and we would like to urge you to strongly vote "yes" to  
20 eliminate the Grapevine route and we urge that you move  
21 forward with the construction of the project versus  
22 additional studies of the project.

23 In the future, we would like instead of kicking  
24 the can down the rail that -- the cost is going to get  
25 higher, so we need to go ahead and start construction of  
0043

1 this immediately and we adopt the Mayor Hofbauer as well  
2 as our Supervisor Mike Antonovich and what they are  
3 seeking as well.

4 So we appreciate your time, and thank you very  
5 much.

6 CHAIRMAN UMBERG: Thank you, sir.  
7 Mr. Sierra, followed by Mr. Blanco, followed by  
8 Mr. Pappas.

9 MR. SIERRA: Good morning, ladies and gentlemen. My  
10 name is Abel Sierra. I'm a member of the Antelope Valley  
11 Hispanic Chamber of Commerce. I also sit on the Board of  
12 the California Hispanic Chambers of Commerce in  
13 Sacramento.

14 Today I'm here to support the staff  
15 recommendations. After reading everything, it makes pure  
16 sense to go forward with that.

17 Locally in the Antelope Valley, our chamber  
18 represents about 200 small businesses and statewide we  
19 represent many more than that. We are here to support  
20 and adopt Mayor pro tem Hofbauer's recommendations,  
21 Supervisor Michael Antonovich's recommendations, and the  
22 staff recommendations.

23 Thank you very much.

24 CHAIRMAN UMBERG: Thank you, sir.  
25 Mr. Blanco -- but before you begin, Mr. Blanco,  
0044

1 again, I see a number of cards here in support of staff  
2 recommendation on item number four. If I could just ask  
3 all those who are in support of staff recommendation to  
4 stand up so we get -- go ahead and stand up. Okay.  
5 Great. This is just so we can get sort of a visual image  
6 here.

7 All right. All those who are opposed -- if  
8 you'd sit down now, all of those who are opposed now, if  
9 you could stand up, to staff recommendation number 4.

10 Okay. Got it. All right. Thank you.  
11 MR. BLANCO: Mr. Chair and Members, thank you. I  
12 heard what you said earlier if the judge is in your

13 favor.

14 My name is Juan Blanco. I'm the president of  
15 NAACP in Antelope Valley. I am also a proud member and  
16 resident of the city of Palmdale and the civilian chair  
17 for the Restoration Advisory Board for the Air Force  
18 Planning and we stand in unison with the City of  
19 Palmdale, our local Supervisor Antonovich, and Assistant  
20 City Manager Laurie Lile in adopting the spur through the  
21 Antelope Valley.

22 Thank you.

23 CHAIRMAN UMBERG: Thank you.

24 Mr. Pappas, followed by Marsha Furman, followed  
25 by Dr. Compton.

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1 MR. PAPPAS: My name is Bill Pappas. I'm a resident  
2 of Palmdale and when the announcement first came out that  
3 you were going to start the segment in the Central Valley  
4 from, what was it, Fresno to Modesto, wherever it was,  
5 there was a lot of negative public reaction to it. I  
6 remember reading on the Internet and in the local papers  
7 and I wish the Authority had explained it better, but on  
8 my own I just concluded that that was probably the most  
9 mileage that they could get for the amount of money that  
10 they had to start with and that it is a high-speed rail  
11 so they could test it on a long track. If they could  
12 only -- for the same amount of money, they could probably  
13 only build five miles in Los Angeles or they wouldn't  
14 have to do any tunneling. I mean, this is just what I  
15 came up with off the top of my head, that there was a lot  
16 of reasons why that was the best location, but the public  
17 didn't think that. They thought it was a high-speed rail  
18 to nowhere and all that kind of stuff.

19 So I would urge you to, I don't know, do an  
20 aggressive public relations campaign to get the public on  
21 your side regarding that segment.

22 CHAIRMAN UMBERG: Thank you, sir.

23 Ms. Furman, followed by Dr. Compton, followed by  
24 it looks like Mrs. Compton.

25 MS. FURMAN: Good morning. Thank you for letting me

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1 speak. I am not an elected official, not appointed, not  
2 anything. I am the face of a regular citizen from  
3 Palmdale and the Antelope Valley.

4 I'm very excited about the rail coming to my  
5 area. I will be living one block from the transportation  
6 center in Palmdale.

7 As the regular face of the rider that is going  
8 to take part in using this rail system, I just wanted you  
9 to know that we are very much looking forward to it. As  
10 a baby boomer who eventually will have to depend solely  
11 on public transportation, an item such as this is going  
12 to allow me to move about our state and participate in  
13 things that at this moment may not be available to me.

14 So thank you very much.

15 CHAIRMAN UMBERG: Thank you, ma'am.  
16 Dr. Compton, followed by Mrs. Compton, followed  
17 by I believe it's Marcus Hennessy.  
18 DR. COMPTON: Dr. Compton -- and I speak for my wife  
19 also, Mrs. Compton, and --  
20 CHAIRMAN UMBERG: Dr. Compton, you need to come up to  
21 the microphone. This is being recorded, so --  
22 DR. COMPTON: I agree with the Palmdale Mayor pro  
23 tem.  
24 CHAIRMAN UMBERG: All right. Thank you. Thank you,  
25 Dr. Compton. Thank you for your military service, also.

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1 And that goes for Mrs. Compton as well.  
2 And then Mr. Hennessy, followed by I believe  
3 it's Mr. De La Vera.  
4 MR. HENNESSY: Yeah. Hi. I'm Marcus Hennessy. I  
5 want to thank the Board for giving me the opportunity to  
6 speak here today.

7 I'm just a regular citizen of Palmdale. First,  
8 I want to say that I'm a huge supporter of high-speed  
9 rail in California. We need it. The longer we delay  
10 construction, the more expensive it will become.

11 Then I want to say also that it makes sense to  
12 support the recent conceptual I-5 corridor study that  
13 favors routing through Antelope Valley, which is a  
14 thriving suburban area of half a million people. A  
15 high-speed rail will link -- work to link both  
16 Los Angeles and the Central Valley, Bay Area and can only  
17 enhance community growth and, as the study indicates,  
18 significantly reduces the negative environmental impacts  
19 of an I-5 corridor route. I urge the Board to vote for  
20 the Antelope Valley corridor.

21 And, again, thank you.

22 CHAIRMAN UMBERG: Thank you.  
23 Mr. De La Vera, followed by Jean De La Vera,  
24 followed by I believe it's Mr. Largent.  
25 Mr. Ernest -- I believe it's Ernest De La Vera?

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1 Jean De La Vera?  
2 Okay. Mr. Largent, followed by Raymond  
3 Guenthner. Go ahead, sir.  
4 MR. LARGENT: Thank you to the Board for hearing me.  
5 I'm George Largent. I'm from Palmdale and I come to  
6 offer a slightly different perspective. I am a systems  
7 engineer. I've served on the Transport Working Group of  
8 the International Council of Systems Engineering and I  
9 bring that perspective here.

10 I guess my qualifications might be best summed  
11 up to say the chair of the committee or the Authority  
12 Group referred to me as her systems engineer emeritus, so  
13 I'm speaking as a professional systems engineer, and I  
14 would like to compliment the Board, the Authority, on a  
15 job well done with respect to the reaffirmation of the  
16 previous decision with respect to the Antelope Valley

17 alignment.

18 This is good systems engineering, a job well  
19 done, and I would encourage you all to please stay with  
20 that decision.

21 I would suggest further a lesson from the Nevada  
22 Northern Railroad. There's a sign on the dispatcher's  
23 desk that says, "Don't take no from someone who can't say  
24 yes." So, please, let's get 'er done.

25 Thank you very much.

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1 CHAIRMAN UMBERG: Mr. Raymond -- if I mispronounced  
2 your name, I apologize. Raymond Guenthner.

3 MR. GUENTHNER: I guess I checked the wrong box. I  
4 was wanting to speak. I came here to this Board to  
5 support the high-speed rail through Palmdale.

6 CHAIRMAN UMBERG: Okay. Thank you, sir.

7 Ms. Nancy Ruth, followed by Mr. Abdul Askia.

8 MS. RUTH: Hi. My name is Nancy Ruth. I'm a  
9 grandmother of a four-year-old autistic child and this  
10 would give my grandson a way to go places where he can  
11 get help. Of all the children, one out of five boys are  
12 born with autism. So these kids in Palmdale, they don't  
13 have where to go like they do in San Francisco, L.A.,  
14 Sacramento, places like that, so this would give them a  
15 faster way to get help.

16 Thank you.

17 CHAIRMAN UMBERG: Thank you, ma'am.

18 Mr. Abdul Askia, followed by Lester Rushing,  
19 followed by Kathleen Trinity.

20 MR. ASKIA: Good morning. Again, my name is Abdul  
21 Majeed Askia. I'm a national public speaker. I'm also a  
22 part of several nonprofit organizations in the  
23 Antelope Valley as well as a standing member of the  
24 NAACP.

25 I would encourage all of you here today to come

0050

1 along with the high-speed rail because it will restore  
2 dignity and honor to so many people that have lost  
3 self-respect that don't have a sense of self. It will  
4 also serve in developing positive human relations among  
5 all different ethnic groups as well as help subside the  
6 bulging prisons that we're confronted with.

7 In other words, this act will help eliminate  
8 crime. It will restore the strength within families. It  
9 will also serve in helping us, those of us that are in  
10 these various nonprofit groups, encourage others to  
11 become employed.

12 What I'm emphasizing here is this, and I really  
13 hope that everyone here will contemplate on this: Every  
14 new invention that occurred, there was always someone in  
15 opposition to it, whether it was going to the moon or  
16 exploring Mars or Einstein's E equals mc<sup>2</sup> and energy and  
17 mass and it all being relative. There was always someone  
18 who resisted new inventions or change, and so we're

19 moving into the space age.

20 CHAIRMAN UMBERG: Thank you, sir.

21 MR. ASKIA: Frankly, that's where we're at.

22 CHAIRMAN UMBERG: All right. Thank you very much,  
23 sir.

24 Mr. Rushing, followed by Ms. Trinity; and if  
25 this is a different Ross Browning than had commented

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1 before, then Ross Browning.

2 MR. RUSHING: I'm Lester Rushing. I support  
3 Antonovich's statements.

4 CHAIRMAN UMBERG: Thank you, Mr. Rushing.  
5 Kathleen Trinity.

6 MS. TRINITY: Good morning, Mr. Chairman, Board  
7 Members. I'm Kathleen Trinity, a resident of Acton,  
8 California, and I'm here to speak on item number four.

9 The proposed route from Bakersfield to L.A.

10 would pass through Acton from Palmdale. This would be a  
11 disaster for Acton. Acton is one of L.A. County's last  
12 semi-rural communities. Because Acton is bounded by the  
13 San Gabriel mountains to the south and east and by the  
14 Sierra canyons to the north and west, it is an enormous  
15 echo chamber.

16 We hear the 14 freeway and the Metrolink all  
17 across town. One of the proposed routes through Acton  
18 would pass at the very mouth of Red Rover Mine Canyon.  
19 It's a relatively narrow canyon with about 90 full-time  
20 households. Try to imagine a huge train going 220 miles  
21 per hour every 6 to 12 minutes all day long and into the  
22 evening and how that constant very loud penetrating sound  
23 would bring stress and disruption to those 90 households  
24 and many more, not to mention the many animal species in  
25 the canyons. There is no way to shield or build a wall

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1 that can mitigate such a great and vast sound.

2 The other three proposed routes through Acton  
3 would disrupt our schools and, again, our canyons. An  
4 express Metrolink train could be built between  
5 Bakersfield and Palmdale. If you build this train, it  
6 certainly will be the coup de gras for Acton. We are not  
7 living and appreciating nature there to have these three  
8 major disruptions.

9 Thank you.

10 CHAIRMAN UMBERG: Thank you, ma'am.

11 Next, if it's a different Mr. Browning, then  
12 followed by Robin Turner. Same? Okay.

13 MR. BROWNING: Same Mr. Browning, still live in  
14 Laton, different subject.

15 CHAIRMAN UMBERG: Thank you, sir.

16 Ms. Turner, Robin Turner, followed by --

17 MR. BROWNING: I haven't said anything.

18 CHAIRMAN UMBERG: Robin Turner --

19 MR. BROWNING: First of all --

20 CHAIRMAN UMBERG: Whoa, sir. You've had your

21 opportunity.

22 MR. BROWNING: I what? Different subject. This is  
23 number four.

24 CHAIRMAN UMBERG: I understand. I understand, but  
25 what we're doing is we're taking all Public Comment at  
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1 the beginning of the meeting and as I've mentioned at  
2 least twice, that whoever comes to the podium needs to  
3 speak on all issues that they desire to speak on today.

4 So thank you, sir.

5 Next, Ms. Robin Turner, followed by  
6 Mr. Griffith.

7 MR. BROWNING: Well, I'll be darned. So there.

8 MS. TURNER: Good morning, Board. Robin Turner for  
9 ArchaeoPaleo Resource Management. I too am very much in  
10 favor of a high-speed rail. In fact, I have worked on  
11 doing environmental documents from the Union Station to  
12 Anaheim segment.

13 Six months ago, though, I came to this very same  
14 Metro Board meeting room and asked you to perform an  
15 audit regarding why my company and other companies were  
16 not paid in a timely manner. Sometimes we wouldn't get  
17 paid for up to nine months after we submitted our  
18 invoices. The late pay has seriously damaged my  
19 business. I had to take out loans. I had to raise all  
20 my credit cards up to the limit because of this, 'cause I  
21 just can't fund your project.

22 Anyway, to date, no one has ever contacted me  
23 even though I requested that six months ago in order to  
24 look into this situation, and even though I gave a  
25 spreadsheet, I gave you everything you needed in order  
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1 for them to do a full audit.

2 Anyway, I do own a disadvantaged business and  
3 this is very stressful to my company. But now that your  
4 new regulations and you're requesting disadvantaged  
5 businesses to come and join you, I think it would be best  
6 if you could clear up all these other situations first  
7 and come out, you know, on a new slate and clean up these  
8 mistakes.

9 Anyway, thank you. And if somebody can get  
10 ahold of me, I'd appreciate it.

11 CHAIRMAN UMBERG: Thank you, Ms. Turner.

12 Mr. Griffin. Mr. Griffin, I see that you've got  
13 a couple of cards here, so go ahead and comment.

14 MR. GRIFFIN: My name is Charles Griffin. I was born  
15 at Third and Grand, up the street here. I went to UCLA  
16 and the Los Angeles school system. I then went to work  
17 for Douglas and developed nuclear weapons, so the  
18 hydrogen bomb and nuclear weapons to ensure tanks and  
19 bombers coming here, Nike missiles and Zeus missiles, all  
20 that kind of good stuff, including -- following my  
21 career, then I ended up building 21 B-2 stealth bombers.

22 But in between there, I spent about 30 years

23 building the DC-7, the DC-8, the DC-9, the MD-80, and so  
24 now I'm going -- you want jobs, you want to put people to  
25 work. We have trillions of dollars that have been

0055

1 concentrated during this system that needs to be invested  
2 appropriately. These people are going to invest that  
3 money only if it's feasible and practical.

4 We need three systems. We need the underground  
5 subways that we have in all major cities. In  
6 Los Angeles, we need good Metrolinks. Those Metrolink  
7 systems need to be upgraded and made electrical and  
8 faster, utilizing that right-of-way, but it can't go more  
9 than 100 miles because those private right-of-ways, you  
10 can't make fast turns around corners. You need to go up  
11 the I-5 to go to San Francisco from California. You need  
12 to use a Maglev system similar to what is being used in  
13 Japan that goes 360 miles an hour, and you have to go  
14 that fast. You have to go faster than 288 to compete  
15 with aircraft. And so please --

16 CHAIRMAN UMBERG: Thank you, sir.

17 MR. GRIFFIN: I've given my comments to Mayor Pringle  
18 previously.

19 CHAIRMAN UMBERG: Thank you, sir.

20 Mr. Krause, followed by Majid Sarraf, followed  
21 by Tony Boren.

22 MR. KRAUSE: Good afternoon Chairman, Members. I  
23 appreciate your hearing me out here. I have a letter for  
24 California for High-Speed Rail. This is our comment  
25 letter on the Business Plan. I thought I was going to be

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1 speaking later, so excuse me if I'm not exactly prepared  
2 here.

3 So I think you have the letter. I just wanted  
4 to talk a little bit about -- first of all, our  
5 organization overall supports the direction of the  
6 Business Plan and we see that -- feel that it's a strong  
7 plan that will lead to a profitable system. And what we  
8 are -- our main comment for the Business Plan is the  
9 nature of many of the assumptions regarding cost, cost  
10 escalation and ridership, and those have all been quite  
11 conservative or pessimistic from our point of view. And  
12 we understand why you did that, to make sure that, you  
13 know, we meet all the critiques of the various critics in  
14 the state and we support keeping those assumptions in.  
15 However, we would like to see another set of assumptions  
16 added to the final plan that would actually create a more  
17 realistically optimistic scenario. We feel, you know,  
18 the situation now in Congress is a temporary one and  
19 things have the opportunity to change. We're not saying  
20 that the conservative scenario may not come to pass. It  
21 may come to pass; but at the same time, there may be a  
22 more optimistic situation developed and we should be  
23 ready for it by putting in another set of assumptions  
24 that actually produce a project that gets completed

25 quicker and we're recommending 2028 and also costs much  
0057

1 less than what we're talking about, and we think that  
2 would help also in the --

3 CHAIRMAN UMBERG: Thank you.

4 MR. KRAUSE: -- view of the public of the project's  
5 future. Thank you.

6 CHAIRMAN UMBERG: Thank you.

7 Majid Sarraf, Sarraf? And I may be  
8 mispronouncing that name.

9 MR. SARRAF: Good morning. I'm Majid Sarraf. I'm  
10 the director of bridge engineering and a seismic  
11 specialist with Tmad Taylor & Gaines in Pasadena. I'm  
12 delighted to see this concept of high-speed rail and I'm  
13 very supportive of it; however, in terms of the costs of  
14 construction, I'm really shocked.

15 I think there is still newer design innovation  
16 and new materials, new techniques. The alignments at  
17 several locations goes through several faults and  
18 seismic -- active seismic zones. I think there are many  
19 ways you can incorporate innovation and design and we  
20 would be more than happy to work with High-Speed Rail  
21 Authority to look at that.

22 CHAIRMAN UMBERG: Thank you, sir.

23 Mr. Boren, followed by Tom Savio, followed by  
24 Stan Opatowsky.

25 MR. BOREN: Good morning. Tony Boren, Executive  
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1 Director, Fresno Council of governments.

2 I'm here this morning to voice my Board's  
3 support for item number three, specifically the hiring  
4 issue associated with regional long-term unemployment.

5 One thing that I do want to emphasize that I  
6 think does belong in the discussion is that right now the  
7 San Joaquin Valley is about 10 percent of the state's  
8 population, about 4 million. We grow at about 2 percent,  
9 a little over 2.06 a year right now. That's double the  
10 rest of the state, so in 2050 we're going to be at about  
11 900 million people, which at that time will be about  
12 20 percent of the state's population. So we have  
13 20 percent of the state's population we need to find the  
14 employment opportunities for, so we think the policy  
15 under consideration in item number three will go a long  
16 way towards helping that situation.

17 Thank you.

18 CHAIRMAN UMBERG: Thank you, sir.

19 Mr. Savio, followed by Mr. Opatowsky. I may  
20 have mispronounced that, Mr. Stan Opatowsky.

21 MR. SAVIO: Thank you, Mr. Chairman. I want to say  
22 that I support high-speed rail as a private citizen. I  
23 think it's the best use of tax money. It's the best use,  
24 like education is the best use. It's our future and it  
25 is clean and fast.

0059

1 I do think that the Authority has at times shot  
2 itself in the foot by not realizing how people could spin  
3 things such as Fresno not being anywhere. It is a big  
4 city. It's full of people. The trains should be where  
5 people are and where they want to ride the train, and  
6 Fresno and Merced are just as important as every place  
7 else. So thank you, sir.

8 CHAIRMAN UMBERG: Thank you. And you're Mr. Savio?

9 MR. SAVIO: Yes.

10 CHAIRMAN UMBERG: Thanks, Mr. Savio.

11 Mr. Opatowsky, followed by Mark Kyle.

12 MR. OPATOWSKY: Good morning, Mr. Chairman. Stan  
13 Opatowsky from Woodland Hills.

14 I became a stakeholder in high-speed rail many  
15 years ago and attended a lot of the meetings here in the  
16 Los Angeles area. I've been retired for quite a long  
17 time. I'm an aerospace engineer and I enjoyed hearing  
18 from the previous speaker about the programs that he was  
19 involved in. But how did I get involved? I was -- I  
20 served for 16 years on the San Fernando Valley Mobility  
21 Action Committee, which was an advisory group for the  
22 Los Angeles Department of Transportation. And I look  
23 back at my youth when I attended the New York World's  
24 Fair in 1939 and saw the world of tomorrow. I'm still  
25 waiting for it, but this program, in California we see

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1 how important it is to a lot of elements in this state.

2 It's rather interesting that the Chinese are  
3 talking about building 6,000 miles of high-speed rail.  
4 The Russians are talking about high-speed rail between  
5 Moscow and St. Petersburg. A lot of areas a lot of  
6 countries are looking at it. They're looking at us.  
7 It's time we got started. I completely support this  
8 program as a citizen --

9 CHAIRMAN UMBERG: Thank you.

10 MR. OPATOWSKY: -- but I am concerned --

11 CHAIRMAN UMBERG: Thank you. I don't mean to cut you  
12 off right before your "but," but thank you very much.

13 MR. OPATOWSKY: Okay.

14 CHAIRMAN UMBERG: Mr. Kyle, Mr. Nunez.

15 MR. KYLE: Good morning, Mr. Chair, Board Members.  
16 Thank you for your time. My name is Mark Kyle, staff  
17 attorney and government relations for Operating  
18 Engineers, Local 3.

19 As you know, we have 28,000 Union members in  
20 California, several thousand in other states. We're the  
21 largest building and construction trades local in the  
22 country. Over the last three years, due to the economic  
23 recession, we've lost close to 5,000 members, hundreds of  
24 those in the Central Valley. We want the folks  
25 re-employed working again. This project building for the

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1 future will help do that. We want the folks in the  
2 Central Valley to be employed as much as anyone else to

3 be employed and we want not only our members employed in  
4 the Central Valley, but other crafts and trades workers  
5 as well.

6 Having said that, we have serious concerns  
7 regarding item number three. We believe that it's an  
8 ill-constructed proposal, well-intentioned but  
9 ill-constructed. On its face, it appears illegal. But  
10 setting aside the legality or illegality of the issue, we  
11 believe that it amounts to a piecemeal effort to address  
12 larger labor issues, legitimate labor issues, but we  
13 believe that they need to be addressed comprehensively in  
14 a statewide basis and also include other labor relations  
15 issues such as project labor agreements and prevailing  
16 wage, to name just a couple.

17 Having voiced those concerns with this proposal,  
18 we'd ask you to take a slow and steady and very cautious  
19 approach to reviewing the proposal. Thank you very much.

20 CHAIRMAN UMBERG: Thank you, Mr. Kyle.

21 Mr. Nunez, Mr. Descary.

22 MR. NUNEZ: Good morning. Javier Nunez, Laborers  
23 International Union North America, Local 300 in  
24 Los Angeles.

25 Thank you for the opportunity. What we're

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1 talking about here this morning is opportunity for our  
2 young people, opportunity for this rail to cut crime. We  
3 need to produce jobs. I know you have a hard job. I  
4 know you get it from all ways. This person's not happy  
5 because you're going to interrupt some trees. We heard  
6 it earlier. There's too much noise.

7 We've got a problem in our country. We live in  
8 the United States where everybody is kicking our butt  
9 with rail systems and trains. California is way behind.  
10 I've been to Australia and got around Australia with no  
11 problem. You come to Los Angeles and you have a problem  
12 because you've got people sitting on this, waiting to  
13 catch a train, waiting to catch a bus, waiting to  
14 catch -- we need to do something.

15 I just got back from San Jose, telling my wife  
16 how beautiful it would be to just be able to get to  
17 San Jose in an hour. It would be so great. We need to  
18 put aside our differences. We need to get on the ball.  
19 We need to produce jobs, and we need America to be  
20 America again and be number one. We are way behind other  
21 countries. We need to get on the ball.

22 Thank you very much.

23 CHAIRMAN UMBERG: Bill Descary, followed by  
24 Ken Wipff.

25 MR. DESCARY: Mr. Chairman, Members of the Board, I'm  
0063

1 Bill Descary, a 37-year resident of Bakersfield.

2 As a former City Treasurer, my interest here is  
3 how the project's going to be paid for. I hear a lot of  
4 private investment, how private investment is going to

5 come in and save the day. In that regard, I hear about  
6 private-public partnerships and I feel a partnership is  
7 two or more people or entities coming together and they  
8 bring in some money or assets and they go and do  
9 something. They make widgets or they provide a service  
10 such as high-speed rail. And I've heard a lot about  
11 public-private partnerships in this regard, but I've also  
12 heard about when you work with consultants and then when  
13 you get an operator, it's going to be public-private  
14 partnership.

15 These seem to me like you're going -- you're  
16 asking someone to do them, you pay them and it's a  
17 contractual relationship, not a public-private  
18 partnership. So I'd like to know how High-Speed Rail  
19 defines a public-private partnership.

20 Mr. Rossi seems to speak to the Board on  
21 financial matters and maybe he can use the media or  
22 something to define that for us.

23 Thank you.

24 CHAIRMAN UMBERG: Thank you, sir.

25 Mr. Wipff, followed by Tim Forrest.

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1 MR. WIPFF: Good morning. My name is Ken Wipff. I'm  
2 vice president of the Acton Town Council. I have with me  
3 today Scott Griffin with the Agua Dulce Town Council.

4 I have addressed you before and asked that we  
5 work a little bit on outreach. In general, both Councils  
6 are in approval, approve high-speed rail. They think  
7 it's a good concept and that's from a very relatively  
8 high elevation. Where we come into difficulty is, as  
9 Kathleen said earlier, that when we deal with the reality  
10 of high-speed rail as it goes through Acton, it becomes  
11 problematic for us.

12 So now I'll shift from my number four and go to  
13 item number two on the outreach and say that I think the  
14 outreach has been present. That's the only way I can  
15 characterize it. I think Sara has enjoyed a lot of red  
16 faces with the pulsating purple veins and, you know,  
17 she's done that very well and I want to compliment her.  
18 But anything we've said, anything we've asked for, all  
19 the concerns we've brought up have not been implemented  
20 and I don't know if they can, and I will tell you that  
21 the president of the School Board said, Look, if you're  
22 going to wreck the town, let us know now so that we can  
23 start preparing for it because we're convinced that the  
24 path bisecting Acton will wreck that, which will bring  
25 down the school district.

0065

1 So I don't think we're hysterical and I don't  
2 think we're saying not in our backyard. We want to work  
3 with you. Thank you very much. We would appreciate  
4 being contacted and listened to.

5 CHAIRMAN UMBERG: Thank you, sir.

6 MR. WIPFF: Thank you.

7 CHAIRMAN UMBERG: Mr. Forrest, followed by  
8 Mr. O'Gara.

9 MR. FORREST: Hi. My name is Tim Forrest. I work in  
10 the motion picture and video game industry and I am an  
11 enthusiastic supporter of high-speed rail.

12 I think it's easy to be enthusiastic and think  
13 that everyone else is going to be enthusiastic, too, when  
14 it makes so much sense to put rail into a state like  
15 California.

16 I was in Eastern Florida living there in the  
17 late '80s and early '90s when they tried to implement the  
18 German Maglev system from Orlando to Fort Lauderdale and  
19 it was so unfortunate that political in-fighting and then  
20 between the counties and that went belly-up and I just  
21 fear that with the referendum process here in California  
22 that something similar could happen to halt the momentum  
23 of high-speed rail in California and I would encourage  
24 the Authority to really look into more alternative and  
25 imaginative advertising and publicity to try to really

0066

1 capture the hearts and minds of the people of California  
2 because I just don't -- it's not being sold to me and I'm  
3 an enthusiastic supporter of it.

4 I think that aside from the Hitchcock illusions  
5 of trains going through tunnels, I think there just needs  
6 to be so much more done and so much more can be done to  
7 really sell this concept and this idea to Californians,  
8 and I would hate to see the money and the funding and,  
9 you know, the enthusiasm dwindle because of a loss of  
10 momentum in the time frame of construction and  
11 implementation of high-speed rail.

12 Thank you.

13 CHAIRMAN UMBERG: Thank you, sir.

14 Let me read the remainder of the commentors.

15 Mr. O'Gara, it looks like Mr. Marvin Dean, Mr. Kenneth  
16 Price, and then lastly is Blake Konczal.

17 Mr. O'Gara.

18 MR. O'GARA: My name is Mike O'Gara. I live in  
19 Sun Valley, California. I want to say I'm very much in  
20 favor of putting a train station in the middle of the  
21 San Fernando Valley. That would be at Branford Street  
22 and San Fernando Road. That's the divider between Arleta  
23 and Sun Valley.

24 This is going to greatly improve the economic  
25 face of the communities of Arleta, Pacoima, and

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1 Sun Valley. These are three severely economically  
2 challenged areas. This will also add to the sales tax  
3 base for the City of Los Angeles. If you go with those  
4 incorporated cities, it does nothing for the City.

5 We also want a light-maintenance rail at the  
6 same vicinity. I do favor the high-speed going through  
7 Palmdale.

8 Last night, we had a birthday at my house. My

9 son was 45. I had my son and grandchildren over and my  
10 other children over. When my wife gave birth, it was  
11 with a great deal of pain, but the children have brought  
12 us a great deal of joy. You are going through the  
13 painful process now. The high-speed train is going to  
14 bring us a great deal of joy to the state of California.

15 CHAIRMAN UMBERG: Thank you. I may steal that line.

16 Mr. Dean, followed by Mr. Price, and our last  
17 commenter is Blake Konczal.

18 MR. DEAN: Good evening. I concur with the last  
19 gentleman.

20 I want to just say a couple of things real  
21 briefly. First of all, I want to thank the Authority for  
22 a couple of things. One, rotating your meetings around  
23 the state so people that don't travel to Sacramento and  
24 so forth, you've been to Bakersfield, you've been to  
25 Merced, and here. I think that's good to give people an  
0068

1 opportunity to participate.

2 The second thing, item number four, I wasn't  
3 going to speak on that, but I want to commend you on  
4 that. What it has done is show that you're listening to  
5 the people. With the Drake Valley out, people complained  
6 that you did the study. Had you not done the study,  
7 people would have complained. The fact that you're  
8 coming back and redefining the goal over Lancaster, those  
9 people that were expecting it and you're looking at  
10 staff's recommendation to do that, that shows you're  
11 listening and being responsive to people and ready.

12 I wanted to speak on item number two and item  
13 number three, but I'm not going to have a lot of time to  
14 speak on it. But you do have a handout that I did submit  
15 to you on item number two, and I think you need to do  
16 more with outreach to work with these targeted areas so  
17 that people who are not being given the information,  
18 especially these EJAC communities, that you subcontract  
19 some of that out instead of just using one contractor to  
20 do your outreach.

21 Item three, the Workforce Investment  
22 presentation. I submitted something that we are also  
23 asking you to look at as a part of that. We're coming  
24 forward with something called the San Joaquin Valley  
25 Construction Academy and we're taking an aggressive  
0069

1 approach of getting people ready. We're betting this  
2 thing is going to happen and we want to make sure we move  
3 in tandem with all the players to make sure our people  
4 are going to be ready so there's no slowdown if we're  
5 going to be in construction by the end of the year.

6 Lastly, I want to say I'm thankful for the  
7 High-Speed Rail staff and Board for committing to help us  
8 with the outreach contract, being at the conference we're  
9 having in Fresno on January 19th. We're looking forward  
10 to seeing Tom Richards there. Thank you very much.

11 CHAIRMAN UMBERG: Mr. Price, you're the last speaker  
12 card.

13 MR. PRICE: Thank you. Again, Kenneth Price. I'm  
14 the legal counsel to the Fresno Regional Workforce  
15 Investment Board.

16 I was part of the team that put together the  
17 description and the analysis with respect to item number  
18 three. We have consulted with legal experts,  
19 constitutional experts, experts on federal regulation  
20 regarding the contents and the legality of what we've  
21 proposed to you in our -- in our plan.

22 This is something that was carefully construed  
23 and we would like very much or would appreciate if the  
24 Authority would consider tweaking the recommendation from  
25 staff.

0070

1 This is the most significant public  
2 infrastructure project in California. What we're asking  
3 for is simply that the Authority not delegate its  
4 approval process to staff, but to come back to the next  
5 Commission to consider it, give it the proper thought,  
6 and give us an opportunity to be involved along the way  
7 because, again, this is a very carefully thought-out  
8 process and we would just encourage your support.

9 Thank you very much.

10 CHAIRMAN UMBERG: Let me just ask, you're asking us  
11 to put it over to the next meeting? Is that what you're  
12 saying?

13 MR. PRICE: No. What we're asking for is that the  
14 recommendation from staff, that the item be delegated to  
15 staff to determine whether or not it's legal not to be  
16 given to staff. They should be involved in the process,  
17 very capable, but it's really your decision.

18 CHAIRMAN UMBERG: Got it. Okay.

19 Mr. Konczal.

20 MR. KONCZAL: Thank you, Mr. Chairman and Board  
21 Members. I'm Blake Konczal. I'm the Executive Director  
22 for the Fresno Workforce Board. I'm also the chair of  
23 the educational subcommittee for the Fresno Works  
24 Consortium that Supervisor Perea mentioned at the  
25 beginning of all these comments.

0071

1 I want to thank you for your serious  
2 consideration of our draft proposal. This massive public  
3 infrastructure project that you are going to control is  
4 being routed through some of the poorest areas of the  
5 state of California with the highest unemployment rates.  
6 We are proposing that you target job opportunities for  
7 workers from areas of long-term high unemployment, not  
8 specific to Fresno, not specific to California, not  
9 specific to the Central Valley, but from anywhere in the  
10 country, workers coming from those type of areas. Those  
11 would include also unemployed and underemployed members  
12 of the union buildings trades.

13 In the past, the Valley has not gotten access to  
14 projects that are even being built in the Valley. As a  
15 quick example, we had a federal project to build a prison  
16 in Mendota. I was a new WIB director then ten years ago  
17 when that went forward.

18 In order to work at that job site, one had to  
19 file a paper and application at a trailer in Maricopa,  
20 Arizona because the Funding Authority didn't put language  
21 in to mandate that people who had contracts would post  
22 jobs locally or give local residents an opportunity to  
23 apply.

24 I would respectfully suggest that item three as  
25 worded gives your decision-making authority to your  
0072

1 staff. If your Board exists for any reason, it's to make  
2 these types of policy decisions and I would encourage you  
3 to have staff bring a report back to you at your February  
4 meeting.

5 Thank you.

6 CHAIRMAN UMBERG: Thank you. That concludes Public  
7 Comment.

8 So returning to the agenda, Item one,  
9 regretfully the minutes are not prepared so we'll put  
10 that order, unless there's objection, to the next  
11 meeting. Seeing no objection, we'll put that over.

12 Item number two, Outreach and Communications.

13 Mr. Simmens?

14 MR. SIMMENS: Good morning, Mr. Chairman, Members of  
15 the Board.

16 At the December Board meeting, I was directed to  
17 take a look at the possibility of taking the public  
18 outreach functions, communications functions, and putting  
19 together a proposal to do them in-house as opposed to  
20 awarding a statewide communications contract.

21 So in the -- in the time between then and now,  
22 what is before you is a proposal that if we decide not to  
23 issue a statewide communications contract would be what I  
24 see as the parameters of a proposal to capture what that  
25 statewide communications contract would entail and do it  
0073

1 in-house.

2 We have approximately 33 public outreach  
3 specialists employed throughout California that are  
4 currently subcontracted to engineering firms. There is a  
5 loose coordination with them and our regional leads.

6 What I am proposing here today is twofold, is  
7 that if we want to capture all the activities which will  
8 need to be done in-house, we need to do two things:  
9 First, in the short term, and I mean the immediate short  
10 term, we need to be very aggressive in hiring folks to  
11 take over activities in the central office. And those  
12 types of activities will include graphic artists, a  
13 writer, a couple of information officers, and we have  
14 already started by hiring two public information officers

15 in the last month, but we will need at least another four  
16 to six people in the office to capture the workload that  
17 comes in to this communications job.

18 Our press secretary -- this is her last day --  
19 is going to leave a very huge hole that needs to be  
20 filled immediately. So we've got these immediate needs  
21 that would need to be filled at that level.

22 In the more -- in the longer term, what I would  
23 propose would be an organizational structure that would  
24 take these various public outreach activities that are  
25 being done throughout the state and strengthen our  
0074

1 ability to develop direct lines of communication between  
2 what they do and what we do at the central office; and in  
3 order to do that, I would propose that we establish three  
4 regional communications directors which would be  
5 contracted directly with the Authority. They would be  
6 our primary spokespersons in the three regions and the  
7 reporting relationships of those outreach specialists,  
8 which are currently employed by engineering firms, would  
9 have a direct relationship reporting to those regional  
10 communications directors and the regional communications  
11 directors would have a direct reporting relationship with  
12 the central office.

13 Plus, the three regional communications  
14 directors would also have a budget which would allow them  
15 to do the types of logistics work that needs to be done  
16 in doing what we've heard here today, but also what we  
17 hear on a regular basis, as I know as I travel around the  
18 state, and I'm sure you hear it as well, which is to do  
19 more and more effective public outreach.

20 And by establishing this longer-term goal, we  
21 can automatically -- before we get to the point of the  
22 three regional communications directors, we can already  
23 start to implement a more streamlined and tightened and  
24 strengthened communications system where flows go both  
25 ways, because obviously the flows coming from the  
0075

1 regional -- the local areas, the regional areas, up to us  
2 is every bit as important, maybe even more important,  
3 than the flows that go from headquarters down.

4 So what I have done is put together both an  
5 organization chart which its sole intent is to strengthen  
6 our communications network and to strengthen our public  
7 outreach activities in a way in which we capture those  
8 assets which are already out there. And there is good  
9 communication that takes place. Our regional leads do a  
10 very good job at reaching out to those assets and  
11 utilizing them, but what we need to do, in my judgment,  
12 is formalize that relationship and to make those  
13 reporting relationships structured in a way to enhance  
14 what is already out there.

15 CHAIRMAN UMBERG: All right. Thank you, Mr. Simmens.  
16 I have a couple of questions, two observations.

17 We've had a number of challenges, it goes without saying,  
18 and one of our challenges has been outreach. I think all  
19 of us would agree that's an important component and one  
20 where we need to improve. This is evidenced by our  
21 hearings and meetings, and unfortunately outreach has  
22 been characterized differently than outreach, but indeed  
23 we need to coordinate with literally millions of  
24 citizens --

25 MR. SIMMENS: Right.

0076

1 CHAIRMAN UMBERG: -- A number of localities and a  
2 number of stakeholders and we've been challenged in that  
3 respect. This eliminates the structure we've had in the  
4 past, as I understand it, and substitutes a significant  
5 portion in-house; right?

6 MR. SIMMENS: Yes, sir.

7 CHAIRMAN UMBERG: All right. The other challenge  
8 we've had is we've had a staff challenge. This Governor  
9 has been very, very supportive and we are now meeting  
10 that staff challenge, but we've not quite met it. He's  
11 been very supportive and we're grateful for that, but let  
12 me ask you how realistic is it that we're going to get  
13 the staff that is captured on your diagram here and, in  
14 particular, the three regional coordinators? I assume  
15 those are employees.

16 MR. SIMMENS: What I would recommend that we do is  
17 that we contract between the Authority and individuals  
18 that will be placed in those positions.

19 CHAIRMAN UMBERG: These would not be employees?

20 MR. SIMMENS: Well, they would be contracting  
21 directly with the Authority. They would be Authority  
22 employees.

23 CHAIRMAN UMBERG: Okay. They would be -- just so I  
24 understand it, who signs the paycheck? The State or a  
25 private company?

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1 MR. RICHARD: They'd be individuals.

2 MR. SIMMENS: It would be the Authority.

3 MR. RICHARD: Mr. Chairman, as I understand it, the  
4 purpose of this was to tighten up management control over  
5 the situation we have right now. Right now we have  
6 contractors that then subcontract to the communications  
7 team and the contractors in general are engineering  
8 companies, so that means that we have companies that  
9 aren't really in the business of these kinds of  
10 communications, but they are the ones handling these  
11 communications subcontracts, which means that we have  
12 multiple companies interposed between us and the people  
13 who are representing us in these communities.

14 So if I understand the proposal that Mr. Simmens  
15 has, it's first and foremost about tightening the lines  
16 of control and bringing efficiencies, which means then  
17 that there would be a unified communications team.

18 MR. SIMMENS: Right.

19 MR. RICHARD: That would all emanate from a central  
20 headquarters point. Now, we could either fill those  
21 three positions that would be the frontline people, the  
22 managers in each of the areas. As I read the proposal,  
23 they could either be filled as employees of the State or  
24 they could be filled by direct contracts --

25 MR. SIMMENS: Right.

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1 MR. RICHARD: -- from us to them and perhaps to them  
2 in their capacity either as individuals or LLCs or  
3 whatever. I think that the advantage of having the  
4 opportunity to do this either by direct employment or by  
5 contract is that as we step back, we have some very  
6 talented individuals who've performed great services for  
7 this organization, but they are currently in the private  
8 sector now. We would hate to lose the talents and  
9 capabilities of those individuals and if we essentially  
10 said that the only way they could continue would be as  
11 employees of the State, that could probably be  
12 problematic. So I read the proposal as giving us the  
13 maximum flexibility to keep those individuals on the job  
14 but to move them up from the layers that they're  
15 underneath now to essentially direct reporting to our  
16 central office, and I think it makes sense.

17 And I would finally just emphasize a point I  
18 think Mr. Simmens made, but in my mind, the word  
19 "communications" does not equate to P.R. or public  
20 relations. It is a two-way exchange of information and  
21 we've heard many, many times that as we affect  
22 communities with this high-speed rail system, we need to  
23 be out and listening to the people of communities that  
24 we're affecting.

25 So I would hope that we can do this. And I

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1 don't think that we have any decisions we have to make  
2 today, because this is really a staff decision or  
3 function, but I think that we asked for a report and this  
4 is the report. As I understand it, that's the structure  
5 and I think it gives us the flexibility to keep some good  
6 talent we have to deploy these resources more  
7 efficiently. Thank you.

8 MR. SIMMENS: And, Mr. Chairman, to answer your  
9 question on how realistic is it, I think it is far more  
10 realistic to do at least in the near and immediate term,  
11 in the intermediate term, to do contracts directly rather  
12 than it would be to assume that we're going to get State  
13 positions.

14 CHAIRMAN UMBERG: Okay. So that -- so if I  
15 understand you, your concept, your vision, is to have the  
16 three regional communications directors be on a contract  
17 with the High-Speed Rail Authority, as opposed to being  
18 an employee of the State of California?

19 MR. SIMMENS: That's correct, and instead of being a  
20 subcontractor to an engineering firm.

21 CHAIRMAN UMBERG: One other question: As I look at  
22 the diagram, for example, if you take the  
23 Fresno/Bakersfield region, Central Valley, URS has a  
24 significant contract. The individuals listed there, they  
25 report both to the regional communications director as  
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1 well as to URS?

2 MR. SIMMENS: Yes. It would be an additional  
3 responsibility in their portfolio. A lot of that happens  
4 now, but it happens on an ad hoc basis --

5 CHAIRMAN UMBERG: Okay.

6 MR. SIMMENS: -- and what I'm trying to do is  
7 institutionalize it and formalize it into a direct  
8 reporting structure.

9 CHAIRMAN UMBERG: So, for example, just using the  
10 regional communications director in the Central Valley,  
11 so would that person have the ability to change those  
12 that are in community outreach? In other words, do they  
13 have the ability to designate the individuals to  
14 supervise their daily activities or does URS have the  
15 ability to do that?

16 MR. SIMMENS: It would be -- we would be working very  
17 closely with the project managers who oversee those  
18 employees to make sure -- and we have, by the way,  
19 developed a set of protocols and -- policies and  
20 protocols in a manual which would delineate those  
21 relationships and we will be working closely with that  
22 top tier of folks which oversee, the program managers  
23 which oversee these employees, but it would be folded  
24 into their roles and responsibilities.

25 CHAIRMAN UMBERG: Okay.

0081

1 MR. VAN ARK: If I may, Mr. Chairman, just two  
2 matters of clarification. One is EES, and we have done  
3 that quite successfully working with the regional  
4 consultants and in instances where we have not been  
5 satisfied with the outreach efforts, we have agreed with  
6 them and they have made changes on our recommendations.  
7 So I think that is useful, workable.

8 The other thing just on Mr. Richard's comments,  
9 yes, you know, the idea is at least in the interim, if  
10 not in the long term, to contract with three individuals  
11 who take the regional positions. However, I must add, we  
12 need for the central core office six additional people,  
13 too --

14 MR. SIMMENS: Right. Exactly.

15 MR. VAN ARK: -- which within the State organization  
16 is going to be challenging because we would require, you  
17 know, not just approval from the Board, but approval from  
18 the authorities that be to be allowed to hire those  
19 people internally as well.

20 CHAIRMAN UMBERG: Thank you. I see there's a number  
21 of Board Members that wish to ask questions, so we're  
22 going to start with Ms. Schenk and we'll work our way

23 around.

24 MS. SCHENK: Thank you, Mr. Chairman.

25 First of all, as I guess now the senior member

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1 of this Board, my frustration in communications is  
2 probably the longest standing and one of the issues is of  
3 course that we are constantly pummeled when we're trying  
4 to do this thing or we're trying to put forth propaganda,  
5 public relations, et cetera. I really see this as public  
6 participation.

7 There is no other way for us to do public  
8 participation on an ongoing basis other than our monthly  
9 meetings without a strong coordinated communications  
10 staff, so I would urge consideration of calling this  
11 "public participation," because that's what I foresee,  
12 anyway, as the goal and I think the others do as well.

13 So anyway, my question still goes to the three  
14 regional directors, which I think it is important to have  
15 people that report to you ultimately because then you are  
16 responsible to our CEO and to this Board. So you need to  
17 have people who are accountable to you. But I am a  
18 little bit queasy about this -- in a perfect world, these  
19 would be State employees.

20 MR. SIMMENS: Right.

21 MS. SCHENK: Doing it this way I understand faces the  
22 reality that we probably can't get these State employees,  
23 but I just wanted to make sure that we're on sound legal  
24 footing and that we're not trying to circumvent the laws,  
25 rules, and regulations of hiring because we just don't

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1 need to have a problem in that area. So we should --

2 MR. SIMMENS: We do have the ability to contract on  
3 these, in these positions. I agree with you ideally they  
4 would be State positions. Whether that day ever comes is  
5 another question, but if, in fact, we are not going to do  
6 a statewide communications contract, in order to pick up  
7 the activities which will need to be done, we have to  
8 institute this rather quickly.

9 And if I can just go back to your first point,  
10 I've not made this a policy or a protocol, but you may  
11 notice I never used the term "public relations." I  
12 always speak in "public outreach" and I believe that that  
13 is the core function of what we should be doing in a very  
14 strengthened but streamlined and efficient and effective  
15 way.

16 MS. SCHENK: One last comment: Having been at the  
17 top of organizations with a lot of people, all well  
18 intentioned, I still have questions about the  
19 coordination of all of these folks on what the message  
20 is, what -- how to interpret what the actions are of this  
21 Board, and we have had so many missteps and once it gets  
22 out there as a misstep, it's awfully hard to get it back  
23 in step.

24 So, again, I understand we're not supposed to be

25 taking any action, but, again, the caution, and I know,  
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1 Lance, you've had a lot of experience in this, too, but  
2 we really need to have better coordination even below  
3 these regional director levels --

4 MR. SIMMENS: Absolutely.

5 MS. SCHENK: -- in-between and intra communications,  
6 directors.

7 MR. SIMMENS: And that is why you see so many solid  
8 lines, because that is a direct communication flow.

9 CHAIRMAN UMBERG: Questions? Commissioner Hartnett?

10 MR. HARTNETT: Actually, some comments.

11 I think we're going in the right direction of  
12 this. To me, the three things that are required that I  
13 think are under this sort of centralization and  
14 accountability consistent with having continued local  
15 flexibility. You have to have that at the ground level.  
16 We have to have people who have experience in the areas  
17 to which they're listening and communicating, but we  
18 lack, you know, really centralization and coordination  
19 and we lack a structure that has clear accountability and  
20 I think it is really important to have that clear  
21 accountability and I think this is the right direction.

22 I think we need the three regional communication  
23 director functions and you've indicated in the report who  
24 would initially handle those functions and those were  
25 fine with me. In terms of the folks in the boxes below

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1 that, I know you're not asking us, nor is it in our  
2 purview, to select those people. I think that's the CO  
3 and staff functions to handle those boxes, but I just  
4 really think it's really important to emphasize that  
5 centralization and accountability and with the local  
6 experience and flexibility.

7 CHAIRMAN UMBERG: Mr. Balgenorth?

8 MR. BALGENORTH: Yeah. I'd just like to say I'm glad  
9 you're taking a step in the right direction. A lot of  
10 the frustrations that have been expressed at these  
11 hearings are people that don't feel that their questions  
12 have been answered and they're not gotten back to in a  
13 timely manner and it sounds like you're trying to move to  
14 a position where that will occur in a better way; and the  
15 people will maybe not agree with the answer, but at least  
16 have the thinking behind it and the ability to  
17 communicate back and forth with you.

18 MR. SIMMENS: Yes, sir. The communication has to be  
19 two way, two-way flow.

20 CHAIRMAN UMBERG: Thank you.

21 Mr. Richards?

22 MR. RICHARDS: I would just echo the other Members  
23 and I don't think I need to add to it. As I look at it,  
24 I think you've placed this on the agenda as an action  
25 item. Is that correct, Mr. Simmens?

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1 MR. SIMMENS: It was placed as an action item, and  
2 primarily that would be to proceed with this, assuming  
3 that no statewide communications contract would be let.

4 MR. RICHARDS: Then I would suggest -- I would then  
5 make a motion, Mr. Chairman, with your continued  
6 enthusiasm and all the expertise that you can muster to  
7 make a motion to move forward with this internal offer.

8 MR. ROSSI: Second.

9 CHAIRMAN UMBERG: Motion seconded. All right.

10 Any further discussion? No further discussion.

11 All in favor say "aye."

12 (Whereupon all Board Members indicated "aye")

13 CHAIRMAN UMBERG: All opposed?

14 Motion carries.

15 (Whereupon the motion passed unanimously)

16 CHAIRMAN UMBERG: I would ask you to come back.

17 Let's put this back on the agenda for next month so you  
18 can report back to us as to how this is progressing. As  
19 all of us agree, this is a very important component of  
20 our project.

21 MR. SIMMENS: And let me just say, as all of you are  
22 well aware of State contracting processes, we will move  
23 it as expeditiously as we possibly can.

24 CHAIRMAN UMBERG: All right.

25 MR. SIMMENS: Thank you.

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1 CHAIRMAN UMBERG: Thank you. Item number four --  
2 well, I'm sorry. I'm ahead of myself.

3 Item number three, Mr. Fellenz.

4 MR. RICHARDS: If I may, Mr. Chairman, with regards  
5 to item number three, the Members will note a multipage  
6 addendum -- or not addendum -- attachment to this item.

7 This attachment was prepared and authored by  
8 Mr. Blake Konczal, as I understand who's a part of his  
9 membership with a Fresno County organization called  
10 Fresno Works. The document, however, identifies  
11 Mr. Konczal as the Executive Director of the Fresno  
12 Regional Workforce Investment Board and I am the --  
13 although this was not an official action of that Board, I  
14 am the chair of the Fresno Regional Workforce Investment  
15 Board and although I have strong convictions and opinions  
16 on this issue, I am compelled to recuse myself and I  
17 would ask that the record show that I've left the room  
18 during the presentation and discussion and action.

19 CHAIRMAN UMBERG: Thank you. Let me look at -- get a  
20 sense of the Board here as to whether we want to break  
21 right now or begin -- where is Ms. Toof?

22 MS. MARTINEZ: She left me in charge.

23 CHAIRMAN UMBERG: Are things arranged for us to be  
24 able to go into closed session?

25 MS. MARTINEZ: Yes.

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1 CHAIRMAN UMBERG: All right. Let me look and get a  
2 sense of the Board as to whether you want to break right

3 now, because we're clearly not going to get -- break for  
4 closed session or go through item number three and then  
5 break for closed session. Go through three? All right.  
6 Let's go through three. Mr. Fellenz.

7 MR. FELLENZ: Mr. Chairman, Board Members, thank you  
8 for giving me the opportunity to talk about the Fresno  
9 Regional Workforce Investment Board proposal that was  
10 originally sent to us in draft form in September, and I  
11 want to call your attention to a couple of items I've  
12 left with each of you today.

13 The first one is a cover letter dated  
14 December 15th, 2011 from the Executive Director of that  
15 Workforce Investment Board in Fresno and attached to it  
16 is the final memorandum that is really duplicative or  
17 identical to that draft that was in your Board package.  
18 So I just wanted to make sure you understood that final  
19 proposal and we did receive a draft some time ago.

20 The second document that I left with you today  
21 is a recently received letter from the Federal Railroad  
22 Administration, FRA, and this letter was sent to me from  
23 the Acting Chief Counsel Michael Haley at FRA, and the  
24 purpose of this letter was to give us feedback on the  
25 proposal made by the Fresno Regional Workforce Investment  
0089

1 Board in their proposal.

2 What I've done today is I've put together a  
3 short PowerPoint presentation to just go through the  
4 terms of the Workforce Investment Board proposal and also  
5 to discuss the FRA's content in the letter and what the  
6 final decision is at the staff level.

7 So slide number two, I just wanted to kind of  
8 give you an oversight of what the Workforce Investment  
9 Board is. The Workforce Investment Act was a 1998  
10 federal law and it was to induce business in local  
11 delivery of workforce development services. The  
12 implementation vehicle for that law is the Workforce  
13 Investment Boards throughout the country. These boards  
14 are chaired by the private-sector community and the  
15 workforce investment funds are set aside for workforce  
16 education and career path development.

17 The Fresno Regional Workforce Investment Board  
18 gave us a proposal which you have in front of you and the  
19 main terms of those, which I'll go into more detail in  
20 later slides, is that they have defined a "targeted  
21 unemployment worker" hiring criteria. They also had a  
22 "first source" transparency requirement and they propose  
23 that these requirements be placed in the High-Speed Rail  
24 Authority's design build request for proposals and  
25 following contracts. Their stated goal for placing these  
0090

1 requirements in these contracts is to maximize the hiring  
2 of workers from areas of high unemployment on the  
3 high-speed rail project.

4 Going into more detail of the proposal, the

5 targeted unemployment worker hiring criteria has several  
6 components. The first is to require that 30 percent of  
7 all construction work hours be performed by targeted  
8 unemployed workers. The second is that these targeted  
9 unemployed workers have to be unemployed and they also  
10 have to reside in targeted unemployed areas, which is  
11 going to be designated by the California Employment  
12 Development Department, as they propose.

13 The targeted unemployed areas, as defined in  
14 federal law, are geographic areas that have experienced  
15 unemployment rates of at least 150 percent of the  
16 national average rate, and they also are proposing that  
17 we have a requirement in our contracts that require  
18 50 percent of all construction apprentice hours be  
19 performed by these targeted unemployed workers.

20 They also have what's called a "first source"  
21 transparency requirement proposed. In that requirement,  
22 the high-speed rail contractors are required to notify  
23 High-Speed Rail and what are called "authorized referral  
24 entities" of job openings. These referral entities, as  
25 proposed by Fresno Workforce Board, are ones located  
0091

1 within the six-county first construction phase area and  
2 they would include entities which they gave examples of,  
3 which are the community colleges, migrant seasonal worker  
4 grantees, welfare offices, housing authorities, and  
5 community action agencies.

6 We received FRA's response which I am going to  
7 summarize. I'll go right to the conclusion. They  
8 concluded that the targeted unemployed workforce program  
9 as proposed by the Fresno Workforce Investment Board  
10 conflicts with the United States Department of  
11 Transportation and FRA's general disapproval of local or  
12 in-state geographical preferences because of the  
13 potential negative impacts on open and competitive  
14 procurement procedures.

15 FRA's reasons for this disapproval is they  
16 looked at the exact terms in that proposal and they  
17 recognized that there is a targeted unemployment  
18 designation, but that designation is made by the  
19 California Unemployment Development Department, so they  
20 think it's unlikely that that would result in a  
21 designation that would include the entire country, but it  
22 would -- instead, it's likely to exclude those out of the  
23 six-county region.

24 CHAIRMAN UMBERG: Those reasons were I think  
25 contained in the FRA letter; right?

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1 MR. FELLENZ: Correct. I'm summarizing the letter.  
2 CHAIRMAN UMBERG: Right.  
3 MR. FELLENZ: And their second point -- these are  
4 stated in the letter. The second reason is that the  
5 first source transparency requirement is based on a  
6 definition of --

7 CHAIRMAN UMBERG: I think -- Mr. Fellenz, since we  
8 have the letter, I think we can move on if Members have  
9 questions.

10 MR. FELLENZ: Okay. And, again, I've just stated the  
11 reasons. I'll go right to the conclusion.

12 To be compliant with FRA's policy direction, the  
13 High-Speed Rail staff and management is wanting to not  
14 adopt at this time the proposal made by the Fresno Work  
15 Board because of the conflict with the federal policy.

16 CHAIRMAN UMBERG: Okay. Let me start -- well, let me  
17 first say that it's not the purpose of the project but  
18 it's certainly a benefit of the project that we are  
19 beginning construction in an area of the state that has  
20 the highest unemployment and clearly it's an important  
21 benefit here early on and I know that the federal  
22 government is quite keen on stimulating the economy and  
23 that's the purpose of the Arrow funding. The 3.5 billion  
24 dollars that has been designated for this project is  
25 critical to stimulating the economy. However, having  
0093

1 said that, we want to make sure that we don't jeopardize  
2 federal funding, number one, and number two, we do it in  
3 a way that is targeted as efficiently as possible. While  
4 we're not adverse to litigation, we don't like it; right?

5 So questions and comments?

6 MR. BALGENORTH: I had a couple of quick questions.

7 I heard a moment ago that it was not run by the  
8 full Workforce Investment Board. I was just curious why  
9 that was.

10 MR. FELLENZ: Why it's not --

11 MR. BALGENORTH: That it wasn't passed by the full  
12 Workforce Investment Board.

13 MR. FELLENZ: I think that may have been a comment  
14 that Mr. Richards made.

15 MR. BALGENORTH: Yes.

16 MR. FELLENZ: He had made that comment. I wasn't  
17 aware of that until today. We received a letter from the  
18 Executive Director of that Board as a proposal, so I'm  
19 sorry, but I'm just a little unclear on that.

20 MR. BALGENORTH: Yeah. It seemed like something of  
21 this magnitude should have gone before the full Board and  
22 I was just curious why it did not, if it, in fact, did  
23 not.

24 The other thing I'd like to say is that the  
25 construction industry has suffered probably the worst  
0094

1 unemployment since The Great Depression; Fresno, Central  
2 Valley, greater unemployment than large numbers of other  
3 areas, so certainly I think that everyone here has an  
4 interest in getting as many people back to work as  
5 possible.

6 When you were doing your research, I wondered if  
7 you had reached out to any of the major construction  
8 employers who will be employing people as to the

9 feasibility of some of the things that you are proposing  
10 and if you have reached out to some of the other hiring  
11 halls who would dispatch workers as to the feasibility of  
12 this program.

13 MR. FELLENZ: Well, the Authority has received a lot  
14 of support from the labor community wanting this project  
15 to go. This particular proposal which this agenda item  
16 is focused on is quite narrow because if you look at the  
17 terms of this proposal, I reached out to FRA to find out  
18 what their opinion was, whether it followed federal law  
19 or policy. But certainly the Authority has received a  
20 lot of positive comments from the labor unions and  
21 community and we are working very closely with them to  
22 make sure that we work in close -- in a close and  
23 cooperative manner.

24 We're putting together requests for proposals at  
25 this time and we do have provisions in there that deal  
0095

1 with small businesses.

2 MR. BALGENORTH: I was just also a little concerned  
3 as to whether some of the employers have been reached out  
4 to, 'cause I see in some of the proposals that there is  
5 requirements to do things like set up an office, a hiring  
6 office. Some of the contractors will be small  
7 contractors and they wouldn't normally do something like  
8 that. As a matter of fact, many construction workers are  
9 dispatched directly to the job site, which is where the  
10 hiring actually takes place, not to a separate office,  
11 and so that's why I was curious if you had reached out to  
12 some of the other people in the industry as to what their  
13 practices are, what additional costs would be borne by  
14 changing the manner in which they've done business for  
15 the last hundred years.

16 MR. FELLENZ: Well, certainly there would be an  
17 administrative cost and oversight responsibilities if  
18 there were special offices set up, as they suggest. I  
19 think in other infrastructure projects, the owner as a  
20 State entity works closely with the trades unions and the  
21 like.

22 CHAIRMAN UMBERG: Anyone else?

23 MR. VAN ARK: I think just as a matter of  
24 clarification, Mr. Balgenorth, yes, we went to the FRA  
25 first obviously because we wanted to ensure, being a  
0096

1 major funding partner here, whether they could live with  
2 this particular arrangement. If that was the case,  
3 obviously we would investigate it further; but as we are  
4 finding at the moment, we do not recommend that we  
5 continue down this path.

6 MR. FELLENZ: Yeah, on this particular proposal.

7 CHAIRMAN UMBERG: Mr. Hartnett?

8 MR. HARTNETT: Yes. I know that there has been a lot  
9 of time and effort spent on this proposal and I applaud  
10 the efforts and with the Board and Executive Director

11 being proactive. I think that's really important that  
12 they focused on an issue that's really important  
13 statewide if not in addition to their area, but I think  
14 two things: One is I don't think that the plan, as I  
15 understand it as proposed and as reviewed by the FRA, is  
16 consistent with obviously what the federal government's  
17 policies are and so I think we have to be careful about  
18 that.

19 Second, I think that we have to be concerned  
20 about what we're doing statewide and we can't take a  
21 piecemeal approach, and so -- and I think this is  
22 currently a piecemeal approach. So I would be reluctant  
23 to adopt this as proposed.

24 And thirdly, I do think that at such time as a  
25 policy is intended to be adopted that it is the Board's  
0097

1 purview to do that on recommendation of staff but that we  
2 wouldn't be -- if we took no action on this today, which  
3 I don't actually think we need to take an action because,  
4 you know, it's either -- if we want to decide to adopt  
5 something we can, but it seems to me that at a later  
6 time, should there be a policy that has to do with  
7 hiring, that's a Board purview in any case and we  
8 shouldn't be delegating to staff the specifics.

9 CHAIRMAN UMBERG: So if I understand, are you  
10 suggesting we put it over?

11 MR. HARTNETT: I'm suggesting we don't have to -- we  
12 can decide we don't want to adopt this, but it seems to  
13 me that that's a negative. We don't have to -- this  
14 isn't something that we have to do, and that we can --  
15 but as a Board, at such time as there is a policy to be  
16 adopted with respect to the hiring issues, that whatever  
17 proposal might be from the staff, whether it's this or  
18 something else, can be agendized.

19 CHAIRMAN UMBERG: Okay. I'm trying to understand,  
20 Commissioner Hartnett. Are you suggesting we take no  
21 action? Is that what you're saying?

22 MR. HARTNETT: I'm saying we don't have to take  
23 action. I'm saying that -- and I'm not suggesting we  
24 agendize this proposal at the next meeting. So I think  
25 we --

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1 CHAIRMAN UMBERG: Okay.

2 MR. HARTNETT: -- can defer this, this whole policy,  
3 to another time.

4 MR. ROSSI: Could I suggest to give -- from the  
5 perspective of we not do it at this moment that it's  
6 going to come back however we look at it and I think it  
7 might make sense that what we do -- I agree with you it  
8 should be a Board vote. It's not an issue for staff and  
9 I think that we probably ought to just have a couple of  
10 directors be assigned to take a hard look at this and  
11 then bring it back to the Board. Do you agree to that?

12 MR. HARTNETT: Yeah. Actually, I think that's a good

13 idea and whether it's recommending this or something  
14 different, whatever the recommendation is.

15 CHAIRMAN UMBERG: Well, there is at least three  
16 options. One option is if there's no motion or second,  
17 then we take no action. The other option is if there is  
18 a motion and a second, then we actually vote it up or  
19 down. So Mr. -- I'm sorry. Mr. Rossi, I cut you off.

20 MR. ROSSI: No. That's fine.

21 MR. RICHARD: I'm sorry. He jumped the line anyway.

22 CHAIRMAN UMBERG: Mr. Richard?

23 MR. RICHARD: Listening to my colleagues, I guess,  
24 two things: One, as I understand it, the letter from the  
25 FRA had not been seen by the folks who have been working  
0099

1 on this until very, very recently. First of all, I defer  
2 to Mr. Balgenorth and Mr. Burns, who know these issues  
3 inside and out and I certainly do not, and so their  
4 expertise and knowledge of this is a real benefit to this  
5 Board.

6 By the same token, my understanding is that if  
7 there is any place along the alignment where we would be  
8 likely to be able to encourage local hiring, it would be  
9 in the Valley only because -- and, again, I'm not an  
10 expert on this -- because it meets the different test of  
11 being an economically depressed area as opposed to a  
12 local hire issue.

13 So the only comment I would make at this  
14 point -- I appreciate Mr. Rossi's suggestion -- is that  
15 out of respect for a lot of hard work on the part of  
16 people in the Fresno community to look at this, let's  
17 give them a chance to absorb the information in the FRA  
18 letter. I mean, this Board will always be committed to  
19 following the law and if that is the law, then so be it,  
20 but let's give them an opportunity to take a look at that  
21 and then they can come back and interact with us.

22 And, Mr. Chairman, I would certainly volunteer  
23 to work with any of my colleagues on the Board and I  
24 would suggest that one of our Board Members or both of  
25 them who have the real expertise in this area on the  
0100

1 labor side be involved; and then if people who have been  
2 the proponents of this are able to address the issues  
3 that the FRA has raised, they can come back to us. I  
4 don't know that we need to be formal about it. I'm just  
5 saying I'd be willing to volunteer. They can come to  
6 some of us and then this issue could come back to the  
7 Board in the appropriate time.

8 MR. BALGENORTH: I would be happy to volunteer on  
9 that. I think it's a very good suggestion and I would  
10 also like to compliment you for the hard work that's put  
11 into it and to say that we all share the goals of getting  
12 unemployed people to work.

13 CHAIRMAN UMBERG: For -- right. For reasons that  
14 I'll explain later today, I will appoint a committee, a

15 committee consisting -- assuming that they agree -- of  
16 Mr. Rossi, Mr. Burns, and Mr. Balgenorth to continue with  
17 this issue.

18 MR. BALGENORTH: Or Mr. Richard.

19 CHAIRMAN UMBERG: Well, we'll get to that later on.

20 All right. There being no further discussion  
21 and there being no motion, we'll go ahead and move into  
22 Closed Session.

23 So for members of the audience, our Closed  
24 Session will probably last 45 minutes or so and then  
25 we'll be back.

0101

1 (Whereupon the Board deliberated in Closed  
2 session)

3 CHAIRMAN UMBERG: We'll reconvene. The California  
4 State High-Speed Rail Authority will reconvene and we're  
5 back from Closed Session. We have nothing to report.

6 So continuing with our agenda, item number four,  
7 Mr. Van Ark.

8 MR. VAN ARK: Mr. Chairman, the presentation on the  
9 Central Valley Los Angeles Basin Mountain Crossing,  
10 referred to as the Grapevine alignment -- you've heard a  
11 lot of Public Comment about it this morning already --  
12 will actually be done this afternoon by some of our  
13 colleagues, Mike Gillam, the regional director of the  
14 PMG team, and he will be supported by John Howley, who is  
15 the engineering manager of the regional consultant, just  
16 in case there are some particular engineering questions,  
17 because obviously it is a relatively detailed, technical  
18 analysis.

19 So Mike Gillam.

20 MR. GILLAM: Thank you very much.

21 Mr. Chairman, Members of the Board, thank you  
22 for the opportunity to present this conceptual I-5  
23 corridor study for Bakersfield to San Fernando Valley.

24 In 2005, the programmatic EIR/EIS essentially  
25 studied two major corridors, those being the I-5 corridor

0102

1 in the west and the Antelope Valley corridor in the east.  
2 I'll be presenting a number of maps to you and the  
3 orientation for north will always be up, so Bakersfield  
4 will always be at the top of the screen, Sylmar always at  
5 the bottom, and Palmdale always in the lower right.

6 The 2005 programmatic recommendation selected  
7 the Antelope Valley corridor because it had fewer  
8 potential environmental impacts, it had less seismic  
9 risk, it had less tunnel and consequently fewer  
10 constructability issues, greater opportunity for  
11 alignment variations to minimize impacts, it had less  
12 growth-inducing impacts, and it had service to the  
13 fastest-growing area of L.A. County, which increased  
14 connectivity and accessibility.

15 This was the approved corridor at the end of the  
16 programmatic EIR/EIS. There was an additional request

17 for the U.S. Environmental Protection Agency and the U.S.  
18 Army Corps of Engineers to broaden the corridor between  
19 Palmdale and Sylmar to encapsulate the State Road 14  
20 corridor.

21 As a result of those additional studies, our  
22 preliminary alternatives analysis showed these  
23 alternative alignments and the one in the south, the  
24 Soledad Canyon alternative, was not carried forward  
25 because of its environmental impacts in the area. So the  
0103

1 other two corridors remain at this point in time.

2 From 2005 to 2011, there were project-level  
3 studies and those project-level studies have led to an  
4 increase in the estimated capital cost and a recognition  
5 of the impacts on the existing residential and planned  
6 developments.

7 So in May, you, the Board, authorized us to do a  
8 conceptual study of the I-5 Grapevine corridor to  
9 reassess that 2005 programmatic decision. From May to  
10 the present time, the study has assessed the potential  
11 alternatives to determine whether or not new conditions  
12 and factors exist that would justify us reconsidering  
13 that 2005 decision.

14 We affectionately refer to this (indicating) as  
15 the yellow banana diagram. The yellow banana-shaped area  
16 there is essentially the limits of this study for the I-5  
17 Grapevine corridor from east of Bakersfield all the way  
18 south to the Sylmar area. The next slides will walk  
19 through various constraints of the study that we  
20 considered as part of the work.

21 First, the environmental constraints: We looked  
22 at a number of different environmental constraints from  
23 wildlife corridors with the black arrows. The yellow is  
24 National Forest land. Green is park land. We also have  
25 a State vehicle recreational area and a wildlife preserve  
0104

1 in the corridor.

2 From a seismic standpoint, the area is very  
3 seismicly active. There are three major faults in the  
4 area that are listed in the Alquist-Priolo fault zone,  
5 those being the Garlock fault, the San Andreas fault and  
6 in the south the San Gabriel fault. You can see that the  
7 San Andreas and Garlock faults intersect very close to  
8 the town of Gorman, very near the I-5.

9 The Alquist-Priolo fault zones are essentially  
10 those areas of risk -- Sara, if you could, go back to the  
11 previous one. Thank you -- those areas are a risk of  
12 fault rupture and consequently we need to cross those  
13 fault zones at grade.

14 Another issue of primary concern was the  
15 crossing of the Tehachapi mountain range. There are  
16 essentially five passes along the Garlock fault that we  
17 evaluated. In the northeast, the Tehachapi Pass is  
18 essentially the pass that we are currently using for the

19 Antelope Valley corridor. The other two passes,  
20 Oak Creek and Cottonwood are very, very high. They're  
21 difficult to access. Bear Trap Canyon is lower, but,  
22 again, it is very difficult to access because it is off  
23 the primary transportation corridor, leaving only  
24 Tejon Pass as the only viable option for crossing the  
25 Tehachapi mountain range.

0105

1 From a land-use constraint standpoint, the green  
2 areas south and east of Bakersfield are agricultural  
3 lands, the red areas are public lands, and the three  
4 highlighted developments that we're showing there, Tejon  
5 Ranch Commerce Center, Tejon Mountain Village and Newhall  
6 Ranch, are all developments that have evolved since the  
7 2005 programmatic EIR/EIS.

8 We used the software to generate a number of  
9 alternative alignments based upon design criteria and  
10 imposed constraints that we discussed earlier.

11 The criteria were that we were going to use 220  
12 miles an hour as a desirable design speed. Obviously  
13 that design speed was reduced in certain areas to obtain  
14 viable alignments and was also limited by the sustained  
15 grades. Again, we cross the active faults at grade, we  
16 minimize environmental impacts, we avoid existing and  
17 proposed developments, and we limit the tunnel lengths  
18 and the viaduct heights.

19 From this exercise, we developed a number of  
20 potentially feasible corridors. Those were broad  
21 corridors that we were tunneling under parks. For  
22 example, the National Forest, we essentially cross the  
23 National Forest for 14 miles. Only four miles of that is  
24 aboveground. The remainder is below ground and we avoid  
25 roadless and wilderness areas.

0106

1 From those potentially feasible alternatives, we  
2 developed what we called a most viable alignment and that  
3 was considering the numerous constraints and the  
4 likelihood of being approved and permitted.

5 From Bakersfield south almost into the  
6 Santa Clarita area, we essentially have one alternative:  
7 Climbing up and over the Tehachapi Pass, crossing the  
8 faults at grade, and you can see the little kink sort of  
9 right in the middle of the alignment there (indicating).  
10 That was necessary to cross those faults at grade and to  
11 do so as perpendicular as possible.

12 In the Santa Clarita area, we had two  
13 alignments, one faster, one slower. The faster alignment  
14 is a 200-mile-an-hour alignment, but it has no  
15 possibility of a Metrolink connection in the  
16 Santa Clarita area. The slower alignment is a  
17 120-mile-an-hour alignment, but does have a possibility  
18 of a Metrolink connection.

19 From a land-use standpoint, the I-5 is less  
20 compatible with existing land-use plans. It has less

21 potential for transit-oriented development around the  
22 stations. It is less constrained by existing railroads.  
23 There are no existing railroads in that corridor.  
24 Consequently, there is some greater flexibility in  
25 construction.

0107

1 From a community standpoint, there are slightly  
2 greater residential impacts, particularly in the cities  
3 of Santa Clarita, the town of Lebec.

4 From an environmental resource standpoint, there  
5 is more impact by the I-5 alternative on designated  
6 habitat, parks and forests, and active farmland.

7 From a stakeholder input standpoint, there is  
8 little support for reintroducing the I-5 alternative.

9 The next slide basically just gives you a flavor for the  
10 number and types of stakeholders that we talked with and  
11 their positions about this particular issue.

12 From a capital cost standpoint, we have the  
13 Antelope Valley costs, both the low cost and a high cost  
14 on the left-hand side in the middle of the screen. The  
15 cost ranges from 15 to 15.5 billion. Right now we have  
16 the most viable I-5 cost at 15.5 billion, essentially  
17 right in the middle of that range. It has a greater  
18 contingency simply because we have done less design work  
19 on this particular section than we have in the  
20 Antelope Valley areas and so we reflect that in the  
21 contingency itself.

22 There is no appreciable cost savings with the  
23 I-5 alignment. We also reviewed potential uncertainties  
24 for each cost category in the I-5 area and we reflected  
25 these assessed uncertainties by varying the contingency

0108

1 levels and we did adjust the cost of that project, and  
2 you can see that in the small red band there.

3 The route length is between 23 and 25 miles  
4 shorter. Travel time has reduced between three and five  
5 minutes. Because we would not be in the Antelope Valley  
6 corridor, the ridership has reduced by approximately  
7 2 million riders per year. Those are mostly local  
8 Southern California riders and there is no appreciable  
9 benefits for inter-regional travel with the lower travel  
10 speed -- excuse me -- the lower travel time. The  
11 ridership revenue is about 50 million dollars lower with  
12 an I-5 alternative; but because the line is also shorter,  
13 the operations and maintenance cost for that structure  
14 and for operating the trains along that area would also  
15 be 50 million dollars lower. So the net operating cash  
16 flow is essentially unchanged. The capital cost  
17 estimate, we talked about in the previous slide.

18 So our overall conclusion is that there are  
19 potentially viable alignments following the I-5 Grapevine  
20 corridor, but the study has not found significant capital  
21 cost or travel time savings for this I-5 alignment.

22 The study confirms reduced environmental impacts

23 and improved accessibility and connectivity for the  
24 Antelope Valley corridor and most of the factors that led  
25 the Authority and the Federal Railroad Administration to  
0109

1 select the Antelope Valley corridor back in 2005 to be  
2 carried forward are not changed.

3 So, Mr. Chairman, our staff has found that the  
4 I-5 study confirms the decision to advance the  
5 Antelope Valley corridor made with the 2005 programmatic  
6 EIR/EIS. The Study assessed potential alternatives along  
7 I-5 and determined that new conditions and factors verify  
8 the 2005 programmatic decision to drop the I-5 corridor in  
9 favor of the Antelope Valley corridor.

10 CHAIRMAN UMBERG: All right.

11 MR. GILLAM: That concludes my presentation.  
12 John Howley and myself will be glad to answer any  
13 questions you might have.

14 CHAIRMAN UMBERG: So to summarize, we got it right  
15 first time?

16 MR. GILLAM: That is correct.

17 CHAIRMAN UMBERG: Okay. Any discussion, questions?

18 MR. ROSSI: I have a question.

19 CHAIRMAN UMBERG: Mr. Rossi?

20 MR. ROSSI: When you talk about the ridership number  
21 being 2 million less, how did you arrive at that figure?

22 MR. GILLAM: We prepared a number of ridership  
23 modeling runs essentially looking at the effect of moving  
24 the Palmdale station to a Santa Clarita area station and  
25 then evaluated the impact on ridership. Again, most of  
0110

1 the ridership loss that we saw in those ridership  
2 modeling runs were essentially local Southern California  
3 commuters, basically commuters from the Antelope Valley  
4 going into the Southern California basin and we didn't  
5 see appreciable increase in the Santa Clarita area,  
6 simply because they currently have a Metrolink system  
7 that gives them pretty good service into the Southern  
8 California basin right now.

9 MR. ROSSI: So you did the runs, you basically  
10 changed the inputs of location, and nothing else  
11 particularly?

12 MR. GILLAM: Travel time obviously was another  
13 issue.

14 MR. ROSSI: Travel points.

15 MR. GILLAM: Yes.

16 MR. ROSSI: I include that in location.

17 MR. GILLAM: Yes. Yes.

18 MR. ROSSI: Okay.

19 MR. GILLAM: So those were the two major factors  
20 that went into the additional ridership modeling  
21 activity.

22 MR. ROSSI: Thank you.

23 CHAIRMAN UMBERG: Mr. Richard?

24 MR. RICHARD: Some people are bag carriers. I'm a

25 microphone holder for Mr. Rossi.

0111

1 Now, I just wanted to say looking at the map, I  
2 think it's -- you know, it looked to me like Tejon Ranch  
3 is a really beautiful place for a station stop --

4 UNIDENTIFIED SPEAKER: Moving in the airport.

5 MR. RICHARD: Maybe now that everyone's left from the  
6 other, we can go back.

7 No. Actually, I want to thank the staff. You  
8 know, Mr. Van Ark I think had very compelling reasons to  
9 feel that it was important for us to examine this and we  
10 have done that, but -- and it makes me comfortable that  
11 the analysis that was just presented to us indicates on  
12 balance that it appears that the benefits -- the weighing  
13 of the benefits really comes down on the side of the  
14 alignment through Palmdale, so that's what I will  
15 support.

16 And I also think it's important to note that  
17 people often read about challenges to high-speed rail in  
18 California and some communities who are concerned about  
19 how it impacts them, but I am pleased that this is the  
20 recommendation from the staff which I'll support because  
21 certainly in Palmdale we have a community and community  
22 leaders who I think see the future of what high-speed  
23 rail could mean for their community and how it can help  
24 Palmdale and the Antelope Valley meet the challenges in  
25 the 21st century.

0112

1 So if the Board adopts this, then that will be  
2 our alignment and I think we'll have an opportunity to  
3 work with that community to help them have the tools to  
4 help shape their future of which they've already seen  
5 high-speed rail as a major part. Thank you.

6 CHAIRMAN UMBERG: Other questions?

7 MR. BALGENORTH: Just to comment, several, one is  
8 that when this was brought up to take another look at, I  
9 was concerned at the time for two reasons. One is that  
10 it was being brought up at, it seems kind of, at a later  
11 stage, but Mr. Van Ark was very clear on the compelling  
12 reasons why it was important to take a look at the I-5  
13 alternative. But my second concern was that as sometimes  
14 happens in other organizations when the staff suggests  
15 you take a look at another alternative and that there'll  
16 be a study that you fear that the study is just going to  
17 support what the staff initially suggested or thought,  
18 that, "Oh, here's our new idea" and they don't do a  
19 really thorough, independent study to present to the  
20 decision makers important data that is necessary to make  
21 a determination. And in this case, I really want to  
22 applaud staff for the approach to this because this is a  
23 very thorough study. I was very impressed by it.

24 I was pleased with the succinctness of the oral  
25 presentation, but the study was very thorough, very well

0113

1 done, and I think it speaks highly of staff that the  
2 recommendation is to reconfirm what was done before  
3 rather than just to go forward on a new alternative  
4 because staff thought we should take a look at it.

5 So the second thing is with respect to the  
6 representatives of Palmdale and the neighboring areas, I  
7 have not been on the Board very long. As you know, my  
8 first meeting was in April or May, but they have been at  
9 every meeting and they have been very consistent in their  
10 presentations, both verbally and in writing. They've  
11 been very constructive and even when critical they were  
12 very constructive and I've always enjoyed hearing from  
13 them and I was pleased to hear from them again today and  
14 I think it's a pleasure to work with people like that who  
15 are passionate and have well-founded views. So I applaud  
16 the people of Palmdale and those who support that  
17 alignment for how they've approached this and look  
18 forward to working with them in the future.

19 CHAIRMAN UMBERG: Any other comments? Is there a  
20 motion?

21 MR. RICHARD: I'd like to move.

22 MR. ROSSI: Second.

23 CHAIRMAN UMBERG: Mr. Richard moves. Mr. Rossi  
24 seconds. All in favor say "aye."

25 (Whereupon all Board Members indicated "aye")

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1 CHAIRMAN UMBERG: Motion carries.

2 (Whereupon the motion passed unanimously)

3 CHAIRMAN UMBERG: All opposed?

4 Motion carries.

5 Thank you for your presentation.

6 Item number five. Ms. Greene-Ross.

7 MS. GREENE-ROSS: Good afternoon, Mr. Chairman,  
8 Members of the Board, Mr. Van Ark.

9 Like the work of the team that presented just  
10 before me, I must consider the whereabouts of potential  
11 seismic activity and as all of you are aware, the Capitol  
12 is a hotbed.

13 Today I am presenting an informational update on  
14 this year's legislative calendar and the status of a few  
15 pieces of legislation. We are at the beginning of the  
16 second year of a two-year session and so by tomorrow, it  
17 would be the last day for any policy committee to report  
18 out any two-year bills, so there were quite a few bills  
19 that we hadn't heard one way or the other if they were  
20 proceeding and at this point, the only one that was heard  
21 that was an issue or of interest to this Board was  
22 Senator La Malfa's Bill SB 22 which was -- did not get  
23 out of the Transportation and Housing Committee on a vote  
24 to six to three. However, a day before that Bill was  
25 heard, Assembly Member Harkey reintroduced the concept in

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1 her AB 1455 and it's the same essential Bill, just with  
2 different dates on it. That would abolish the high-speed

3 rail in effect because it reduces the amount of general  
4 obligation that authorizes under Prop 8 to the amount  
5 that has been appropriated to date.

6 Many of the bills -- any of the bills that  
7 didn't make it out may be reintroduced as brand-new bills  
8 of this session; but if they were moving in their current  
9 form as of tomorrow, they should be finished.

10 I also just wanted to review a couple of key  
11 timing issues with the legislative calendar. Many of  
12 the -- several of the Legislative Committee consultants  
13 have informed me that they are waiting for our final  
14 Business Plan and have not yet decided if they are going  
15 to hold follow-up hearings and/or have a hearing on the  
16 legislative Peer Review group report. So we're keeping  
17 our eyes and ears open to see about that.

18 The Governor, in his budget for 2012, as you all  
19 may know, put forward the reorganization proposal. The  
20 only information I have to report to you on that is that  
21 the language is being drafted and as far as I'm aware at  
22 this point, nothing would change as far as the structure  
23 of the Board. It would just be put over in the new  
24 proposed Transportation Housing Agency. Again, it's also  
25 not known at this point if some of those proposals will

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1 go through both policy committees and budget  
2 subcommittees or the budget process as well. They always  
3 go through the budget process, but sometimes the policy  
4 committees want to hear some of the key governance issues  
5 on some of the issues.

6 The budget process will begin probably by  
7 mid-February once the Leg Analyst comes out with their  
8 report. The budget subcommittees that have jurisdiction  
9 over our authority and the appropriation, the crucial  
10 this year's appropriation will commence sometime in late  
11 February, early March, and escalate into a frenzy when  
12 the May revised is released in May for the Legislature to  
13 consider and negotiate through the joint legislative  
14 budget process what will be in that budget.

15 Assembly Member Lowenthal is reintroducing for  
16 us the language that she had in last year's AB 615 on the  
17 right-of-way process. Under current law, we are under  
18 the process governed for entities, every other entity  
19 besides CalTrans and the Department of Water Resources  
20 and the UC's and we, like those exempted agencies and  
21 departments, need an expedited right-of-way acquisition  
22 process. We have a project EIR with a necessity of each  
23 parcel will have already been determined and so her bill  
24 had that process set up at the end of session last year.  
25 It had been amended to have CalTrans staff and CTC make

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1 the appeals decisions on that process and this language  
2 would have High-Speed Rail staff do the staff work and  
3 then the High-Speed Rail Board would hear the appeals on  
4 the necessity of each parcel and it's in Leg Council,

5 being put into Leg Council form. It has not been put  
6 into a piece of legislation yet.

7 Any other questions?

8 CHAIRMAN UMBERG: Thank you.

9 Two critical items that -- I'm sure there's  
10 more, but two critical items for the system: One, the  
11 new alignment under the Department of Transportation  
12 which in concept sounds like a good idea, but I would ask  
13 you or ask Mr. Van Ark to ask staff to make sure that  
14 there being legislation, if that can be circulated  
15 immediately for all of us to take a look at as well as  
16 the analysis, the committee analysis, those kinds of  
17 things with respect to reorganization, number one.

18 And number two, concerning the approval of the  
19 Bond, if you could circulate -- I guess I can ask  
20 Mr. Van Ark this -- that staff circulate a chronology as  
21 to what you view as to the approval of the Bonds that are  
22 necessary for us to begin construction here later on this  
23 year.

24 Other questions? Mr. Hartnett?

25 MR. HARTNETT: Just a comment. I think in connection

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1 with that, I think it's important to have continuing  
2 communication with the Legislature, and I know you spend  
3 a lot of time as the Chair communicating. I think it's  
4 important that through staff and directly from Board  
5 Members that there be regular briefings and  
6 communications with key legislators on what we're doing  
7 and why we're doing it and hearing from them, what their  
8 questions are, so it's a two-way dialogue. I'm sure  
9 there's lots going on in that regard.

10 CHAIRMAN UMBERG: As a former legislator, I think  
11 there could be nothing more important or thrilling to  
12 dialogue with legislators, so -- other questions?

13 All right. Thank you very much.

14 MS. GREENE-ROSS: You're welcome.

15 CHAIRMAN UMBERG: All right. Item number six.

16 MR. ALBRIGHT: My name is Greg Albright.

17 I'd like to thank the Board and the Chair for  
18 having us take this opportunity to go over the station  
19 area development activities and I'll go fairly quickly on  
20 this item because we have such a large agenda to do  
21 today.

22 I want to note one thing.

23 CHAIRMAN UMBERG: You know what? I apologize for  
24 interrupting, but there are some of the audience that are  
25 waiting for the regular Board meeting to conclude because

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1 they -- I've gotten at least one green card, that they  
2 want to comment on the Business Plan.

3 As is noted, at the conclusion of the regular  
4 Board meeting we will be open for Public Comment with  
5 respect to the Business Plan. So we have not forgotten  
6 about you.

7       But go ahead there, Mr. Albright.  
8       (Whereupon Board Member Burns exited the  
9       meeting)  
10      MR. ALBRIGHT: Thank you. I was starting to point  
11     out that station area development is less understood. I  
12     think most people in California recognize that adding a  
13     new mode of transportation such as a high-speed rail is  
14     distinctly different.

15       Station area development is a distinctly unique  
16     development as far as from a land-use perspective and I  
17     hope you see that as we go through our station area  
18     development process.

19       Also unique -- not yet, but I'll kind of give  
20     you a hint.

21       What's also unique is that we're touching, with  
22     this project, land use and planning in a way that has not  
23     been touched in recent years and it's a very timely way  
24     to do that if we're thinking about a sustainable future.

25       One more point that I hope you see, too, is that

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1     station area development is a team sport and I hope  
2     you'll recognize that, in fact, to get all of it that we  
3     can get out of it is going to require a local  
4     jurisdiction, the development community, transit and  
5     other regional transportation authorities, as well as our  
6     own authority to work together as a team.

7       So back in February, we approved the policy and  
8     the funding program. The CEO was directed to enter into  
9     funding agreements. We built a program. If you  
10    remember, we approved \$200,000 per city that has a  
11    station for State funding and then we had Federal funds  
12    that varied a little bit based upon the size of the city  
13    itself. There was also a requirement with the Federal  
14    dollars that we match, so you'll see that the State  
15    dollars or local funds, including in-kind services, could  
16    match the Federal requirements.

17       Now, there are benefits with this development  
18     around high-speed rail. First of all, local  
19     jurisdictions, the residents, and the environment will  
20     see distinct benefits if done right and what you're going  
21     to hear me talk about, I already mentioned this is a team  
22     sport since there are many players that have to  
23     coordinate, and what you see, high-speed rail station  
24     area development, the area around the station, is unique  
25     in that you'll see greater density, more activities and

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1     the in-fill. And most of you are familiar with the term  
2     "smart growth principles." That's what we have an  
3     opportunity to do. We literally have an opportunity to  
4     transform some of these cities.

5       In your packet, you have a short little report  
6     from Vision California that outlines some of these  
7     expected benefits, the difference between business as  
8     usual versus a smarter growth kinds of scenarios. These

9 are tangible, measurable activities if we make the right  
10 kinds of decisions today and we are a catalyst. It  
11 doesn't mean that every city will transform itself just  
12 because we're there. It does mean that every city can  
13 have the opportunity to do that because we will be one  
14 component of many components that contribute. So you'll  
15 see economic benefits as you see downtown centers having  
16 a greater in-fill and more diverse.

17 If I may, I'll just take the city of Fresno, for  
18 example. At the moment, they have very strong bones, so  
19 to speak, in the city. They have got -- but they also  
20 have a million and a half square feet of commercial space  
21 that is underutilized. We coming in in that space, along  
22 with the progressive work that the City of Fresno is  
23 doing, can transform that downtown and bring businesses,  
24 residential, and retail into that area in addition to the  
25 existing convention centers and other things that they

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1 have. All of that is transformative if done right.

2 It is in straight contrast, by the way, to  
3 sprawl kind of development. That's one of the key  
4 differences between high-speed rail and other modes of  
5 transportation is that you can focus your stations on  
6 downtown centers and promote that.

7 The other player that we see there in that next  
8 bullet would be the Regional Transit Authorities, those  
9 that are the operators. This will enhance. By having  
10 this high concentration of demand in a downtown center,  
11 transit connectivity will be a natural and compelling  
12 next step. Transit connectivity to the region can  
13 transform the way people choose to move throughout the  
14 entire region.

15 Now, I also would note that in areas with a  
16 potential high-speed rail, the Kings Tulare regional  
17 station, that discussion, although there's still a lot of  
18 issues to address, has created two counties looking at  
19 significant regional transportational improvements to  
20 enhance connectivity where they're looking at hubs, so  
21 each city in both counties are looking at the potential  
22 of having their own transit-oriented development that  
23 could feed a potential station. It's transformative in  
24 the sense that we create this new way of doing business.

25 In the California Vision Study that you have in

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1 your packet, you'll also note that there is tangible  
2 residential advantages, cost for transportation,  
3 utilities, health benefits, moving people out of the  
4 carbon-based transportation into electric trains.

5 It is transformative in a sense because of the  
6 smart growth in its footprint, so you see less land use,  
7 less land taken up by transportation needs or sprawl. It  
8 also promotes, at the last bullet there, the sustainable  
9 communities strategies, which is part of Steinberg's very  
10 unique Bill, SB 375, that looks to tie land-use decisions

11 with transportation investments through a more  
12 sustainable future.

13 Now, what we get out of this, the Authority gets  
14 out of this, is we build these coalitions. We build  
15 these partnerships with these communities, with the local  
16 transit authorities where we're working together. We  
17 move from some sort of buyer-seller mode into a  
18 co-creator mode. It really will enhance our working  
19 relationship.

20 Now, let me acknowledge that any time you're  
21 taking a big facility, a big new railroad and its station  
22 into a community, there's issues and there's tension, but  
23 we create a relationship where problems are solved  
24 together. We become that indispensable partner. That's  
25 our hope for high-speed rail. The thing, too, is that as  
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1 you're building these richer downtown centers, you build  
2 ridership. You build ridership; you build revenue.

3 By the way, I'm going a little bit fast and you  
4 can ask me questions later.

5 This is the schedule of our events. Back in  
6 February, I noted you passed the policy. By March, we  
7 were distributing our application packages. We saw the  
8 packages start to come back in May. November, we had our  
9 first funding agreements going out for the cities to  
10 consider for signatures. We, by the way, have had our  
11 first city sign their funding agreement to us and it's  
12 being worked on right now for our signatures; and that's  
13 Fresno on December 30th. So we're pretty excited.

14 This next year will be a busy year for station  
15 area development.

16 Now, working with FRA, because they're our  
17 partners on this and the Authority, we targeted these  
18 seven cities as the initial applications went out for the  
19 funding agreements. These cities are those that  
20 potentially could be part of an initial operating  
21 segment. These are the cities that need to start  
22 thinking about how to get ready so that they're prepared  
23 to move forward. Some cities will just start their  
24 station planning from scratch with our funds. Other  
25 cities are actually very far along in their planning and  
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1 this will be their second phase of their planning,  
2 getting themselves ready. So it's a very diverse group  
3 of activities. I won't go through each city because it's  
4 in your packet as far as their present status.

5 What's coming next is we're going to continue  
6 this business. I already noted that 2012 will be a busy  
7 year with this as we're working with the City. Once the  
8 City says, Okay, we're ready and we get funds to them,  
9 they're in a position to start the partnership. Our  
10 intent and our objective is to make them into  
11 well-informed decision makers. We have a long list of  
12 tools and products and services that we will provide to

13 them so that when they're casting their vision for  
14 station area planning, their vision for transconnectivity  
15 for the region, we're equipping them with information.

16 I'll conclude with this slide. What will come  
17 out of this will be a growing group of partners, of  
18 constituents. As they start to recognize the benefits  
19 that are possible if we do this together, we're going to  
20 see greater strength in this team and this team sport.  
21 We're going to see increased ridership. I bet our  
22 projections for ridership will change as we start seeing  
23 cities enhance their connectivity toward downtown and  
24 we're going to see the private sector getting engaged  
25 because there is a market for station area development,  
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1 there is a market for in-fill, and that'll bring more  
2 interest from the development community and we'll see  
3 tangible results such as parking issues will actually  
4 have value captured. There will be this partnership that  
5 continues on.

6 Those are the outcomes that I start to see as  
7 touching in 2011 with this particular component of  
8 high-speed rail.

9 And with that, I will stop and be pleased to  
10 answer any questions.

11 CHAIRMAN UMBERG: Thank you, Mr. Albright.

12 Questions?

13 MS. SCHENK: Not a question. Just a comment. And  
14 for those of us who have seen high-speed rail around the  
15 world and see what has happened in places like Kyoto and  
16 Osaka, the train stations there and the immediate  
17 environs and Leon and just everywhere in Spain where  
18 there are stations, it's been nothing but positive in  
19 terms of economic development, quality of life, job  
20 creation. So all of this just really summarizes what's  
21 been going on around -- what happens around the world  
22 where we have stations.

23 MR. ALBRIGHT: That's why I speak optimistically,  
24 because I think we'll see that same thing here.

25 CHAIRMAN UMBERG: Other comments, questions?

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1 All right. Thank you. Very encouraging.

2 Next item, item number 7. Mr. Albright, you're  
3 back again.

4 MR. ALBRIGHT: I appreciate this opportunity again.  
5 I'm actually going to kick this off because if you  
6 remember, this Authority has taken a very progressive  
7 approach to how we're going to be a good steward and that  
8 our train will, in fact, be efficient and effective and  
9 we will speak here to our renewable energy goals and  
10 that.

11 In an effort to get that policy that was passed  
12 to achieve a 100 percent renewable energy goal, we have  
13 solicited some input from experts, national experts. So  
14 I'm just going to hand this over.

15 There will be a two-part presentation. Again,  
16 this is informational only. We're going to have a  
17 presentation from Eliza Hotchkiss from our National  
18 Renewable Energy Lab and she'll introduce some of her  
19 partners. Also, that will go directly into a  
20 presentation by Meg Sero (phonetic) from the Program  
21 Management Team who is leading up our Sustainability  
22 program.

23 So with that, I will sit down.

24 MS. HOTCHKISS: Thank you for the opportunity to  
25 present this Strategic Energy Plan to you today. As

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1 Mr. Albright mentioned, my name is Eliza Hotchkiss and  
2 I'm with the Department of Energy's National Renewable  
3 Energy Laboratory, based in Golden, Colorado, and I am  
4 also joined by my colleague Christina Larney sitting with  
5 me, and we have been asked to present a brief overview to  
6 you today.

7 Could you please acknowledge that you have  
8 received a copy of the Strategic Energy Plan in your  
9 packets?

10 So instead of going over all of the details in  
11 the Plan, this will be a short overview. I apologize to  
12 you in advance. Sometimes we get a little too fancy and  
13 include animations.

14 To give you background, the Department of Energy  
15 has a grant funded or grand-phased Technology for  
16 Technical Assistance program and EPA Region 9 applied on  
17 behalf of the Authority for technical assistance through  
18 the TAP program. NREL was provided with providing this  
19 assistance and we worked with the Authority and  
20 consultants to create the scope of work and the ultimate  
21 deliverable being the Strategic Energy Plan.

22 In order to create the Plan, NREL conducted  
23 interviews and surveys with key stakeholders and those  
24 stakeholders were identified by the EPA, the Authority,  
25 and included industry experts based in California. We

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1 took their feedback and synthesized the feedback into the  
2 Strategic Energy Plan using in-house expertise. We also  
3 held biweekly meetings for about six months with the  
4 Authority, consultants, and EPA Region 9.

5 This stakeholder input was invaluable in  
6 creating the Strategic Energy Plan. The comments that we  
7 received were very positive. We were surprised that  
8 people were as positive as they were and we thought it  
9 was important to pull out a few overarching themes.

10 One is that a lot of stakeholders felt the  
11 energy efficiency should be the rail's first  
12 consideration. The high-speed rail project has the  
13 potential to change development patterns in California in  
14 a positive way and the Authority should consider mutual  
15 benefits to the communities it serves in addition to the  
16 rail service it provides. So these comments were taken

17 on board and integrated with our in-house lab expertise  
18 and we created a draft plan.

19 I think it's important to point out that the  
20 Strategic Energy Plan is a road map. It's not a  
21 prescriptive document. It's a road map for energy  
22 planning so that you can know which ways to integrate all  
23 of these overarching goals to meet specific mission  
24 goals.

25 And the three overarching mission goals within

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1 the Plan are to power the high-speed train system with  
2 100 percent renewable energy, as you committed to in  
3 2008; to foster a robust, sustainable economy in  
4 California; and to enact best practices for energy  
5 sustainability.

6 The Plan is structured to be a user-friendly  
7 document with the goals being supported by strategies and  
8 action items. And I think it's important to note here  
9 also that some of these strategies and action items are  
10 already undergoing attention for other ways and the  
11 Strategic Energy Plan is more of a document to synthesize  
12 all of the activities that are ongoing and to create that  
13 overarching plan for direction.

14 So this is the first goal. And these are not  
15 prioritized in any way, but this goal I think is very  
16 important because to power the high-speed train system  
17 with 100 percent renewable energy is an important and  
18 challenging task to undertake, and the four strategies  
19 that are outlined are intended to assist with  
20 accomplishing this goal.

21 Each of the four strategies support the goal and  
22 basically the plan is setting out a way to refine a  
23 renewable energy policy approach, develop a Renewable  
24 Energy Procurement Plan, minimize energy loads of trains  
25 and facilities, and to integrate on-site renewables where

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1 viable. And when we say "viable," we mean cost-effective  
2 so that there's a long-term benefit.

3 I'm sorry. I'll skip through these.

4 Stakeholders who have been working in California  
5 for the past 20 to 30 years emphasize the importance of  
6 community support in the success of these projects.  
7 Because the rail system will rely on its ridership for  
8 viability, it is important to develop strong partnerships  
9 with these communities, as we've heard previously today  
10 during the public comment period.

11 Encouraging local involvement in the planning  
12 process to support economic development will be a key to  
13 success. The Authority has focused on the economic  
14 viability of the train, but also understands that the  
15 train will serve as a public good and we believe that  
16 these two strategies will help in implementing this goal  
17 of fostering a robust economy in the State of California.

18 And the third goal of enacting best practices

19 for energy sustainability centers around setting  
20 performance metrics for the train and its operations.  
21 Many stakeholders were excited about the potential of  
22 high-speed rail to alter development patterns in a good  
23 way. For example, if you're lessening negative  
24 environmental impacts through transportation development,  
25 you could consider multi-modal options to provide bike  
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1 and pedestrian access and this, in turn, will reduce the  
2 dependence of single-occupancy vehicles.

3 Encouraging this behavior through incentives and  
4 education not only increases but can build a greater  
5 sense of community, all while reducing reliance on fossil  
6 fuels.

7 So in summary, there are three main themes to  
8 the strategic energy planning. One is to minimize energy  
9 loads and this is with the goal of setting a global  
10 precedent, which I believe the Authority is already  
11 undertaking.

12 To achieve these goals, extensive planning will  
13 be required and this will happen through the coordination  
14 of industry and partnerships in communities. Your  
15 commitment to 100 percent renewable energy power in this  
16 train system is an admirable one and it is our intention  
17 that this Plan will help to guide you in achieving that  
18 goal. Thank you.

19 CHAIRMAN UMBERG: Thank you.

20 Ms. Schenk, one question.

21 MS. SCHENK: Actually, just a quick question. Who is  
22 working with the utilities and their -- 'cause often the  
23 industrial utilities in California, PG&E, Edison and  
24 SDG&E, who presumably most of the electricity will come  
25 from, all have renewable portfolios and are very advanced  
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1 in their renewable sector. So are we already dealing  
2 with them or is this still in the planning stage? Have  
3 we ever talked to --

4 MS. LARNEY: Yes, we are already coordinating with  
5 the utilities, both the Authority and the Project  
6 Management Team have entered into memorandums of  
7 understanding with the major utilities that will be  
8 affected. The primary point of those conversations to  
9 date has been around interconnection coordinates and  
10 accessing power.

11 What we will do now as we move forward  
12 implementing our approach to renewable energy is having  
13 more detailed discussions with those utilities about  
14 specific renewable energy goals in proportion to the  
15 effect we have with each utility.

16 MS. SCHENK: Are you saying there have been some  
17 preliminary MOUs or letters of understanding or something  
18 with them, with all three?

19 MS. LARNEY: Yes. With the affected utilities, we do  
20 have memorandums of understanding which allow us to

21 communicate with them concerning interconnection issues.

22 CHAIRMAN UMBERG: All right. Go ahead.

23 Thank you.

24 MS. LARNEY: Certainly. Eliza ended her presentation  
25 by addressing the issue of implementation and that's what

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1 I am going to walk through in a few minutes with all of  
2 you.

3 Next, please.

4 Implementing the Strategic Energy Plan dovetails  
5 with the ongoing development and the integration of a  
6 sustainability framework for the project. California is  
7 a leader in sustainability and including integrating  
8 sustainability frameworks and priorities into its  
9 infrastructure projects. The Authority's goals reflect  
10 that leadership in their ambition and are also quite  
11 feasible.

12 As shown in this illustration, projects often  
13 use sustainability as a framework to organize many  
14 disparate key priorities in areas of concern; and for  
15 rail projects in specific, it helps them to achieve  
16 objectives such as safety, mode shift, and reliable  
17 service.

18 Additionally, this organization helps us to  
19 attract market-based solutions to achieve our ambitious  
20 goals. This graph illustrates very simply that around  
21 the world, high-speed rail programs look to and value  
22 sustainability as a useful framework to demonstrate their  
23 commitment to and their consistent achievement of their  
24 stated business values. So this reporting is not for its  
25 own sake but to demonstrate to stakeholders and to

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1 shareholders that progress is tracked and that  
2 performance is monitored with an eye for continuous  
3 improvement. So we see the wisdom of this approach, this  
4 accountable and transparency approach here in California.

5 So as we saw before, sustainability can organize  
6 a range of many different types of concerns and  
7 priorities; but because of the direct business nexus,  
8 energy is a key priority for all high-speed rail programs  
9 with a key focus on load reduction and efficiency.

10 This graph (indicating) illustrates a  
11 qualitative analysis we did of high-speed rail programs  
12 around the world and specifically illustrates the variety  
13 of approaches to renewable or clean energy. Some systems  
14 take the approach of expressing greater electrification  
15 for their systems so that as the national grid reduces  
16 its dependence on fossil fuels, so too will the systems  
17 reduce their per-passenger greenhouse gas emissions. But  
18 these taller bars on this graph illustrate that some  
19 systems have a very significant focus on renewable energy  
20 procurement and generation.

21 In particular, Belgium -- they're off on the  
22 left -- they have a specific problem concerning one

23 segment of the system that was next to -- running next to  
24 a long-standing old-growth forest and they needed to  
25 install a barrier to protect the rail system from falling

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1 trees. So the engineering solution was a protective  
2 canopy, but because Belgium also had a sustainability  
3 framework, when a renewable energy power provider,  
4 independent power provider, approached them with the idea  
5 to integrate four low capes since that canopy was a very  
6 easy decision for that to occur.

7 I'm sure you're intrigued by the far left.

8 Germany has one of the most significant commitments to  
9 renewable energy. In addition to other energy goals, in  
10 2010 they actually stated a commitment to adopt -- they  
11 actually adopted a goal to achieve 100 percent renewable  
12 energy for their traction power for their entire network  
13 by 2050, which I'm sure sounds very familiar to folks  
14 here since it's very similar to the commitment we made.

15 So sustainability is good business.

16 Sustainability for a rail system reflects the -- reflects  
17 an important ethic, which is to deliver mobility that  
18 respects social and environmental conditions. People  
19 like the choice of a responsibly constructed and  
20 environmentally sustainable mode of transportation and  
21 they will make that choice when it's provided to them as  
22 an option.

23 Sustainability -- the sustainability of the  
24 product then and that brand is important, but as this  
25 diagram shows, for a rail system, sustainability also

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1 reflects other areas of sound business decision making.  
2 Interwoven considerations for a rail property, of the  
3 customer experience, ridership, the environment, and  
4 operations, these are all interrelated and supported  
5 areas and that inter-relationship is the key to long-term  
6 viability and success.

7 The system will benefit in the long run from  
8 energy price stability which hedges against the price  
9 fluctuation usually associated with the price of fossil  
10 fuel and as well benefit from improved employee  
11 productivity, reliability of service, logically  
12 interconnected transportation modes, and supported land  
13 use which also provides mutual community benefits. All  
14 of these align through a sustainability framework.

15 So implementation of this framework and the  
16 Strategic Energy Plan is ongoing and is integrated into  
17 the Authority's program and project delivery. Already,  
18 we have a working team within the Authority consisting of  
19 a renewable energy specialist, a utility coordinator, and  
20 rail systems engineer so that as a working group we  
21 organize and keep moving forward those important  
22 activities for the project.

23 In addition, this group coordinates with the  
24 sustainability partnership which was formed under the MOU

25 that was signed in July of 2011. It's a very crucial

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1 relationship among the Authority and its federal partners  
2 which has brought some very key technical assistance to  
3 the program. We're very thankful, in fact, for having  
4 Emerel come and help organize the Strategic Energy Plan.

5 Specific next steps which we're presenting to  
6 you today include finalizing that sustainability  
7 framework and clarifying the exact elements of the  
8 net-zero approach.

9 So this net-zero approach is a very important  
10 moment for the project. What we refer to is buying or  
11 producing enough renewable energy to feed into the grid  
12 equal the amount that's consumed by project operations.  
13 Articulating net zero as the approach is a critical step  
14 forward for the project and it progresses the goal that  
15 the Board established in 2008 by clarifying how we're  
16 going to achieve this goal. This approach represents  
17 more detailed analysis and research into the issue of  
18 renewable energy access in California, thanks to, in  
19 part, the Strategic Energy Plan and this approach of  
20 course starts with minimizing loads and maximizing the  
21 efficiency of the system, and this approach is the most  
22 feasible and progressive when it comes to retaining  
23 renewable energy for the project. Integrating this  
24 approach into a sustainability framework provides us with  
25 a clear tracking of progress and also for timely decision

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1 making.

2 So with that, I'm going to hand it back to Gregg  
3 to do a summary, and we're here for other questions as  
4 well.

5 MR. ALBRIGHT: So what we're seeing is that this is a  
6 good business decision, it's a good citizen decision in  
7 the sense that we are reflecting this state's passion for  
8 sustainability.

9 So I am particularly pleased, as this study has  
10 come out from NREL, a nationally recognized organization  
11 that has experience with this, international experience  
12 as well, and they've verified that we're heading in the  
13 right direction, that it's doable, it's actually a good  
14 business decision.

15 This builds support for the program when we show  
16 this kind of leadership and so we will be coming to you  
17 with more specifics as we're building our framework,  
18 specific actions. But at this point this is an  
19 informational item, in part, to verify, to receive our  
20 report from NREL, but to verify that your initial  
21 direction to us is actually a very good business decision  
22 and a good environmental stewardship position.

23 Thank you.

24 CHAIRMAN UMBERG: Well, thank you, Gregg, Eliza, Meg.  
25 Excellent report. What it does is add again yet another

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1 spinoff technology from this project, much like the space  
2 program spinoffs for so many industries, technologies.  
3 This illustrates we could be that same kind of generator,  
4 so thank you.

5 Questions? Comments?

6 All right. Thanks again.

7 Next -- I'm going to rearrange things a bit.

8 I'm going to move the CEO's report before the Members  
9 reports.

10 MR. VAN ARK: Mr. Chairman, Members, ladies and  
11 gentlemen, maybe as a start to this issue today, I'd just  
12 like to as a matter of respect ask for a moment of  
13 silence as one of the very dedicated colleagues of ours,  
14 Denis Doute, who was the V.P. of SNCF USA, passed away  
15 during this week back in his home country and we know  
16 how dedicated he was to high-speed rail, how dedicated  
17 he was to this project, and he modeled a year of his  
18 life here in the Bay Area, following the high-speed rail  
19 project into California.

20 And so with that, I'd ask you to join me just  
21 for a moment of silence.

22 (Pause in the proceedings)

23 MR. VAN ARK: The Governor passed a budget or  
24 proposed a budget -- sorry -- and clearly was very  
25 supportive of high-speed rail in his budget. You have

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1 noticed that although from a figures point of view he has  
2 only put forward a support budget, which is the budget  
3 which pays for the cost of the Authority itself, as  
4 opposed to a technical budget, he made a very clear  
5 statement in his budget proposal that he would be putting  
6 forward the proposal for capital outlay, which means for  
7 the construction of the high-speed rail, initial  
8 construction section, as of later spring this year, a  
9 very positive step for the project and we are very happy  
10 that the Governor continues to support us on the budget.

11 The status for the RFQ therefore, the request  
12 for qualification, for the construction of this initial  
13 construction section, you know that we went up for the  
14 RFQ for package number one and this was issued on the  
15 19th of December. The responses were due on the 19th of  
16 December. We received those. We are busy, obviously in  
17 confidence, confidential sessions, short-listing and  
18 tried to qualify as many of these contractors as  
19 possible, and we should be able to give the outcome of  
20 that at the end of January 2012, so a few weeks from now.

21 The RFP for this first section will be -- the  
22 documentation is well developed. The FRA, Department of  
23 Finance, and CalTrans are reviewing copies and the  
24 successfully short-listed contractors, once they are  
25 short-listed, will also have an opportunity to comment on

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1 the RFP documentation in the early February time frame,  
2 because obviously we would like to have their input so

3 that when we go to market in only two months from now, we  
4 can be clear that they can and are willing to bid against  
5 those documents.

6 To address a few issues raised by the Court in  
7 what we refer to as the Atherton litigation, a revised  
8 final problematic Bay Area to Central Valley EIR/EIS  
9 document was released for a 45-day comment period on  
10 Friday, January the 6th and the comment period runs  
11 through to February 21st. It's available on the  
12 Authority's network website, if anybody wants copies.  
13 Copies have also been distributed to libraries and  
14 various other agencies. And in addition, an e-mail blast  
15 to 15,000 people and addresses and also 11 newspapers in  
16 the region waiting for it.

17 You're aware, or I want to make you aware if you  
18 are not, of the legislative Peer Review report on the  
19 Funding Plan; not necessarily a very favorable report,  
20 but it was issued on January the 4th, 2012 commenting to  
21 the California High-Speed Rail Funding Plan and to some  
22 extent to the Business Plan. And as you know, the  
23 Funding Plan is the official formal request to access  
24 approximately 2.7 billion dollars of Prop 1A funds which  
25 would be matched with 3.5 million dollars in federal  
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1 funding to initiate the initial construction section of  
2 construction. Clearly the High-Speed Rail responded to  
3 the Peer Review responses as appropriate with written and  
4 formal letters also to the appropriate legislators.

5 The Bureau of State Audits has conducted  
6 High-Speed Rail follow-up audit and are busy finalizing  
7 their audit responses and reports.

8 There have been some quite positive meetings.  
9 The Silicon Valley Leadership Group, Board Members  
10 Hartnett and Rossi presented to the Leadership Group.  
11 They presented the draft Business Plan and also had  
12 discussions with them on this. Following the  
13 presentations, they actually got a very positive and  
14 strong support for high-speed rail in California from the  
15 Silicon Valley Leadership Group.

16 We've also received support from important  
17 people like Mayor Ed Lee of San Francisco as well as from  
18 the City of San Mateo, County area Chambers of Commerce,  
19 also the City Council of San Mateo. So there is  
20 positive, but I don't want to hide behind it. We also  
21 know that there are critical and negative responses that  
22 we do receive, and we will and do address and intend to  
23 address many of these issues in the Business Plan, but  
24 we'll look at the Business Plan a little later.

25 On the issue of right-of-way acquisition,  
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1 Advanced Services, you are aware that the Authority has  
2 requested through the Department of Finance that up to  
3 18 million dollars be made available from previously  
4 appropriated funds in the fiscal year '11/12 -- that

5 means the remaining fiscal year -- for work to prepare  
6 ourselves for the acquisition of right-of-way in the  
7 Central Valley. This has basically been approved, but I  
8 must advise you as I stand here we are still waiting. I  
9 hope it's arrived today for the final approval back from  
10 the Department of Finance so that those activities can  
11 start.

12 Staffing at the Authority: Although the  
13 Authority continues to search and I must say there's a  
14 lot of activity in the front, clearly some of the senior  
15 positions, chief program manager, chief financial  
16 officer, regional directors in the Central Valley,  
17 Bay Area, Southern California, remain vacant and we hope  
18 we have now honed in to someone for a Risk Management  
19 position, but we are trying to conclude and ensure that  
20 this person will be joining us as soon as possible.

21 Unfortunately, and I do want to honor them here,  
22 we have and are losing two people who have done a great  
23 duty to the Authority, one being Dan Leavitt, who was  
24 Deputy Director for Planning and Environment, spent many  
25 years with the Authority, put in a lot of effort into  
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1 this project, but had to make a decision to do something  
2 else in his life, and although he's still supportive and  
3 available, I would like to honor him for the many  
4 years -- I think it's something close to 15 years of work  
5 that he did for this project.

6 On the same note, I would like to say as we  
7 mentioned today once already that Rachel Wall, our Press  
8 Secretary, is moving on to take on a position in the  
9 private sector and I often say Rachel is my 24/7 lady  
10 'cause Rachel has been available 24/7. For the time that  
11 I've been around and the time that she's been around,  
12 she's always available to the Authority. So, Rachel, I  
13 know you're here somewhere. I'd like to honor you and  
14 thank you for the great work that you did for the  
15 Authority.

16 Given the new hires and departures, the  
17 Authority currently stands at 28 and a half people. We  
18 have a half. That's somebody that works half-time, so 28  
19 and a half people out of the 54 people that we could fill  
20 in a particular fiscal year; so an improvement from last  
21 year, not enough as you read quite a few of the reports.  
22 But at the same time, surely there is an improvement.

23 So now I want to move a little towards some  
24 discussions, a bit on the Business Plan and a few other  
25 notes.  
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1 Clearly, as many of you know, and I think all of  
2 you know, I am definitely of the opinion that high-speed  
3 rail is a necessity to resolve the intermediate distance  
4 transportation challenges in the United States and that  
5 the proposed connection between Northern California and  
6 Southern California is one of the most attractive

7 possibilities to install a high-speed rail system. It is  
8 one of the most attractive investment possibilities for  
9 public- and private-sector investors and I believe in  
10 that very strongly.

11 I also continue to stand by the decision that  
12 the beginning of this construction should be in the  
13 Central Valley and that that decision is the one that  
14 will lead California to finally implementing a true  
15 high-speed rail system in the state to meet the  
16 requirements of Proposition 1A that meets the  
17 requirements of the people.

18 At the same time, you know that with our small  
19 Authority staff, supported by our professional consulting  
20 team, a lot of time's been put in, particularly in the  
21 last two years, barely two years that I've been around,  
22 to move this project forward.

23 Being awarded three and a half billion in  
24 federal funding, deciding on initial construction segment  
25 that I just mentioned, moving the environmental process I  
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1 think successfully forward under challenging conditions,  
2 delivering an honest and realistic Business Plan, and  
3 preparing the bidding process for the initial  
4 construction section, I think this has been quite a task;  
5 and to be honest with you, a while ago I did have a  
6 discussion with the Board and I said to them, you know, I  
7 must set some milestones and one of the milestones I  
8 definitely set for myself is to ensure that with the  
9 Board that I launch and deliver a professional Business  
10 Plan for high-speed rail, which I believe that we did do.

11 We are not there yet. We still have some  
12 cleaning up to do and we listened to Public Comment this  
13 afternoon. There will be some more possibility for  
14 Public Comment; but at the time, I said to the Board, you  
15 know, That is a kind of milestone in my life, that I'm  
16 going to make sure that that gets delivered, but then the  
17 time has also come that I need to focus myself more on my  
18 family and maybe some other interests. So I have decided  
19 to end my service with the Authority, but not that fast,  
20 so don't get too excited.

21 As I understand the continuity of management to  
22 leadership is very important, I will continue to support  
23 the Board and to work in my CEO role for another two  
24 months. After that, I know the Board will be looking  
25 towards finding other management for the Authority. And  
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1 at the same time, I've also been requested, however, by  
2 the Board and also by the Governor's office to continue  
3 to provide advice and support to the project, at least  
4 through the end of this calendar year. We are in  
5 discussion to try and do that, but there will be a change  
6 in leadership and it's not going to happen immediately,  
7 but I think it's necessary to make that known.

8 Clearly, this project is a challenging one.

9 I've enjoyed the opportunity to play a part in the future  
10 of transportation of California. Once completed and in  
11 service, this project will have a tremendous positive  
12 impact on the lives of Californians and on our state and  
13 its economy.

14 I would like to at least at this meeting, having  
15 made the statement I've made, make a statement to the  
16 Board, to the Chair first and to the Board Members, thank  
17 you for the support you've given me. It was good working  
18 for you. Thank you to my colleagues for giving the  
19 support to me as well, and of course "colleagues" means  
20 extended colleagues as well, the ones in the technical  
21 teams, the consulting teams, and all the stakeholders  
22 outside, because I've enjoyed working with you as well.

23 So, Mr. Chairman, with that said, that's the end  
24 of my report for today and I will be back here presenting  
25 the Business Plan afterwards. Thank you.

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1 CHAIRMAN UMBERG: Well, thank you for that report.  
2 I'm extraordinarily sorry to hear about your decision.  
3 You and I have discussed it and this project has  
4 benefited enormously. The people of the state of  
5 California owe a great debt of gratitude to you,  
6 Mr. Van Ark. This is somewhat like Moses leading us to  
7 the promised land. The promised land is the beginning of  
8 construction and we are on the verge and you've taken us  
9 that far. You've increased staff. You've increased the  
10 professionalism. You've done amazing things here in the  
11 course of the last 18 months and so I am deeply indebted  
12 to you and, as I said, the people of the state of  
13 California are deeply indebted to you.

14 We'll have more to say later on, but let me just  
15 offer a round of applause for your service.

16 And lastly, I've personally benefited from our  
17 friendship.

18 We're also saddened to have Ms. Rachel Wall  
19 depart. She has been another critical element to this  
20 project. Getting e-mails at 11:00 p.m. and 4:00 a.m. on  
21 successive dates demonstrates her commitment.

22 Dan Leavitt, I wish Dan were here so we could  
23 express our gratitude to him for his many years, many  
24 years of support and service to the project.

25 Also, Mr. Toledo, Matt Toledo's term on the

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1 Board has expired and Mr. Toledo has tendered his  
2 resignation, but we will recognize him at the appropriate  
3 time as well.

4 Let me say that this project is the most  
5 important project for the future of California, certainly  
6 that I'll see in my lifetime, and it's been an amazing  
7 journey over the course of the last several years,  
8 particularly since the passage of Proposition 1A, and  
9 we've come quite a distance, but we still have quite a  
10 distance to go.

11 And recognizing that this is really -- the  
12 chairmanship is really a full-time job, it requires  
13 daily, daily, daily attention, if not hourly attention,  
14 and so in the course of the last several weeks I've been  
15 in conversation with the Governor's office as to how we  
16 can best make sure that this project continues in a way  
17 with the kind of leadership that's required and the kind  
18 of capacity that's required to provide that leadership;  
19 and after discussions with the Governor's office, I've  
20 decided that -- while I'm not leaving the Board, I've  
21 decided that there should be new leadership in the  
22 chairmanship and so next month we'll agendize an election  
23 for Chair.

24 I personally believe that the appropriate person  
25 to take over the chair is Mr. Dan Richard. Dan has the  
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1 experience, he certainly has the dedication, and he is an  
2 incredibly quick learner, as we've all seen over the  
3 course of the last several months. So I'll be nominating  
4 Mr. Richard as Chair at the next Board meeting.

5 And, again, just as you said, not so fast. I  
6 hope to be here with you for quite a long time, but it's  
7 time now to have someone with the time capacity,  
8 expertise, and leadership ability to take over as Chair.

9 So having said that, that concludes my -- it  
10 doesn't quite conclude my report.

11 Let me also announce that I will be forming a  
12 search committee to find a new CEO. That search  
13 committee will consist of the two vice Chairs, Ms. Schenk  
14 and Mr. Richards, as well as Mr. Dan Richard and myself.

15 That does conclude my report.

16 Any other member reports? Mr. Richard?

17 MR. RICHARD: I just wanted to make a couple of  
18 comments, Mr. Chair, and I suspect my colleagues probably  
19 do as well.

20 But first of all, to the staff members that  
21 we're losing, Dan Leavitt has done an extraordinary  
22 amount of work and that is a big hole to fill in terms of  
23 his just incredible knowledge of the environmental issues  
24 facing us. I just hope he understands how much we  
25 appreciate him.

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1 Rachel Wall has just demonstrated an amazing  
2 capacity for her work and an amazing commitment and I  
3 will say that even just last night I was talking to a  
4 reporter who will go unnamed, but his initials are Ralph  
5 Vartabedian, who said that, "You know you're really  
6 losing someone great with Rachel" and he said, Even when  
7 she argues with me or pushes me back, she's always  
8 professional and unlike a lot of P.R. people in  
9 Sacramento, that she actually knows her stuff and takes  
10 the time to learn the issues.

11 So we've been incredibly well-served by having  
12 Rachel there.

13       Mr. Van Ark, your comments were incredibly  
14   gracious but not in any way out of character because you  
15   are a very gracious and eloquent man and I have learned a  
16   lot from you and I have enjoyed working with you; and in  
17   your comments, you mentioned your commitment to the  
18   notion that starting this project in the Valley was the  
19   correct way to achieve true high-speed rail in California  
20   and I think one of the greatest benefits that I've had  
21   from my work with you is that I came onto the Board, as  
22   is typical of many people in California, very skeptical  
23   of that notion. It didn't seem to make sense to me. It  
24   seemed that we should start in the place where people had  
25   higher ridership and yet I sit here today as somebody  
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1   who's been fully convinced by the compelling logic that  
2   you've laid out that that is the way we're going to get  
3   to true high-speed rail in California.

4       And so you've made many contributions to this  
5   Board, but I appreciate your contributions to my  
6   education as a new Board member because you have such  
7   vast international experience, which is rare in terms of  
8   this new technology thing we're trying to build.

9       Chairman Umberg, thank you very much for your  
10   comments. I think that in a day-to-day back and forth  
11   responding to press reports and other things people lose  
12   sight of the level of sacrifice that is entailed in  
13   public service. Tom Umberg is a highly respected, very  
14   busy partner in his law firm and has at the same time  
15   devoted countless, hundreds and hundreds of hours,  
16   meetings in Sacramento, Washington, time with Board  
17   Members, this has just been an enormous sacrifice on your  
18   part in the service of the public good, and I just want  
19   to say you have my greatest respect and we fully, fully,  
20   fully, fully look forward to your continued role on this  
21   Board and the opportunity to work together.

22       So thank you very much.

23       CHAIRMAN UMBERG: Mr. Rossi?

24       MR. ROSSI: And as I guess the newest member of the  
25   Board, I would also like to thank Roelof, who has been  
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1   immensely helpful in allowing me and helping me  
2   understand the mechanics of high-speed rail and how the  
3   Business Plan was built and all of those things. So I  
4   want to thank you very much. It's been very, very  
5   interesting and very worthwhile working with you.

6       And the same in the case of the Chair. I look  
7   forward to working with Tom in his next capacity as a  
8   director and working with Roelof as a supportive  
9   consultant in high-speed rail.

10       CHAIRMAN UMBERG: Ms. Schenk?

11       MS. SCHENK: Well, thank you, Mr. Chairman.

12       I guess not as the oldest but as the  
13   longest-serving member of the Board, I've seen staff come  
14   and go and I've seen Chairs come and go and I'll say,

15 Roelof, you have made an enormous difference in taking  
16 this project from program to reality; and as one who has  
17 been passionately committed to this issue for a better  
18 part of 30 years, I thank you for that. I thank you for  
19 your service and look forward to continuing working with  
20 you.

21 And Dan Leavitt, who I wish were here, was  
22 just -- there aren't words sufficient to describe his  
23 contribution to this project from the days of fantasy to  
24 the days of where we are now.

25 And Rachel, it's been really great working with  
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1 you. You have probably the toughest job next to anyone  
2 who has to deal with the Legislature.

3 And, Tom, a person -- I guess I'm the only one  
4 who remembers you calling in from Afghanistan and being  
5 on the phone. I mean, that's dedication, and you have  
6 proved over and over and over again your dedication, your  
7 commitment to this. You're a valued, valued colleague  
8 and dear friend and great to have you back on the Board  
9 and hopefully I'll get to sit next to you.

10 I look forward to seconding the nomination of  
11 Dan as Chair. He's come on with vigor and enthusiasm and  
12 new perspective, which every Board needs, and so I think  
13 we look back with the gratitude to those who've served  
14 and look ahead with appreciation for those who will.

15 CHAIRMAN UMBERG: Thank you. Thank you.

16 Mr. Balgenorth?

17 MR. BALGENORTH: It's a lot to digest for one  
18 meeting. I, too, would like to extend my congratulations  
19 for the job exceptionally well done from Dan and Rachel,  
20 and Roelof is the -- the ability that you have to  
21 perceive what needs to be done, the tenaciousness with  
22 which you've stayed the course in light of all the tons  
23 of sometimes constructive criticism, other times not, I  
24 really commend you for what you've done and wish you  
25 well, and I have -- I truly have to say I've enjoyed

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1 getting to know you.

2 Tom Umberg I've known for decades and I know  
3 that he works very hard in his job and he calls me at  
4 night sometimes at 10:00 at night to give me his insight  
5 about what he thinks we need to do and I really  
6 appreciate your job as the Chairman and I appreciate  
7 everything that you've done throughout your entire life  
8 to try and move things ahead for California.

9 I won't be at the February meeting. If I was, I  
10 would definitely want to second the motion for  
11 Dan Richard, so I welcome you in that capacity and I'm  
12 sorry I won't be here to see that take place.

13 CHAIRMAN UMBERG: Thank you.

14 Mr. Hartnett?

15 (Whereupon Ms. Schenk and Mr. Rossi exited the  
16 proceedings)

17 MR. HARTNETT: Sorry. I don't mean to pile it on,  
18 but I can't help it. I won't repeat the nice things that  
19 everybody's already said, but I want to add a couple of  
20 things both with respect to Roelof and Tom.

21 Roelof is such an internationally accomplished  
22 business leader and expert on high-speed rail who  
23 approached this job with tremendous passion and  
24 dedication with firm belief in high-speed rail and its  
25 importance to California and this country, and I learned  
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1 a lot from you, Roelof. I know I will continue to learn  
2 a lot from you, but I know also that this job is  
3 all-encompassing. It is one that takes over your life.  
4 It is one that you have worked, I know, seven days a week  
5 most months of the year and I want you to know how much I  
6 appreciate your personal commitment and your vision and  
7 your knowledge and your expertise, and you have my great  
8 thanks.

9 Tom, you were the first person to call me when I  
10 was appointed to the High-Speed Rail Board. You are so  
11 gracious. You're very direct. You have a great  
12 dedication not just to high-speed rail, which I think is  
13 important, obviously, but your dedication to the state of  
14 California and to our nation are of the highest order and  
15 I just want to say thank you.

16 CHAIRMAN UMBERG: Thank you. Very kind of you.  
17 Mr. Richards?

18 MR. RICHARDS: I'm sorry. It's always dangerous to  
19 be last and I haven't got the eloquence of my --

20 CHAIRMAN UMBERG: I should tell the audience that I  
21 actually assigned each of them a role here.

22 MR. RICHARDS: And mine the toughest.

23 I can only say that I've had an opportunity to  
24 meet a lot of great people in my life, in business  
25 especially. I have not had the great pleasure of meeting  
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1 anybody like Roelof Van Ark and this for me would be an  
2 incredibly sad day if it wasn't stated what occurred at  
3 the end and that is that we can look forward to his  
4 senior consultancy, I hope for quite a long time.  
5 Certainly my fond hope would be at least until we see  
6 ridership occurring on high-speed rail in California.  
7 He's been an incredible person to learn from. I have  
8 never met anybody more committed who has spent more time  
9 to accomplish something that has been so difficult and to  
10 have brought us to where we are today.

11 That in combination, Tom, is what you've done  
12 since taking over the leadership here. There is no  
13 question that this Board is so much better served for  
14 your service and we are in a place today where we can  
15 truly say that we have the commitment on the Board and on  
16 this staff and our new senior consultant to bring  
17 high-speed rail in operation and reality in the state of  
18 California.

19 And to all of you and Rachel back there, we love  
20 you to death and we're going to miss you horribly, but  
21 thank you, everybody.

22 Roelof, thank you so much.

23 Tom, thank you.

24 CHAIRMAN UMBERG: Thank you very much, very kindly.

25 With that, other than Public Comment -- anybody

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1 else who wants to come up and say nice things about us,  
2 you're welcome to do so, but that actually concludes the  
3 regular business of the Board.

4 We now have a presentation, a short presentation  
5 on the Business Plan, draft Business Plan, for Public  
6 Comment. I only have one green card.

7 MR. WALSH: Is that mine? John Walsh?

8 CHAIRMAN UMBERG: No, Mr. Walsh. Yours is not here.

9 MR. WALSH: Yeah. Well, I signed it.

10 CHAIRMAN UMBERG: Go ahead, Mr. Van Ark.

11 No worries, Mr. Walsh. I'll remember you.

12 MR. WALSH: I'm the guy with the orange shirt.

13 MR. VAN ARK: Mr. Chairman, Members, ladies and  
14 gentlemen, we're not going to do a recap of the whole  
15 Business Plan. I'm going to give you an update of where  
16 we are today. The Plan was released -- the draft was  
17 released November the 1st. The draft can be accessed at  
18 that web page (indicating). That's the High-Speed Rail  
19 web page. Please, we'll tell the audience, the public in  
20 particular, the Business Plan is not that inch of paper  
21 that you see. The Business Plan includes about, you  
22 know, one- or two-feet-stacked-high paper that you can  
23 get in links in that Internet. That is all the documents  
24 that back up the Business Plan.

25 So the Business Plan is, yes, that one document;

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1 but you find a lot of references in there to other  
2 documents which you can find on the web page as well. So  
3 when you say we didn't give you certain data, please look  
4 at that documentation first and you'll find lots of data  
5 in there which you may be interested in.

6 We had November the 3rd, December the 13th Board  
7 meetings in Sacramento, in Modesto -- or Merced, and in  
8 Los Angeles today, and the intent of that is we wanted  
9 something in the Central Valley, something in the north,  
10 and something in the south to allow people the  
11 opportunity to come up and give Public Comment on the  
12 Business Plan.

13 Next slide, please.

14 We've also had legislative hearings on the draft  
15 Business Plan, the three that you've seen there that were  
16 clearly very interesting, exciting meetings and also very  
17 informative, constructive. So every time, we had Board  
18 Members and staff presenting and I think that they were  
19 very good to develop from the draft Business Plan to the  
20 final Business Plan.

21 Next slide, please.  
22 This slide will give you an indication of where  
23 we have received comments, comments received by week.  
24 You can see it's dropped off, in particular, in the  
25 holiday period and hopefully as we now are near the end,  
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1 the closing date for the Public Comment period, we will  
2 be able to get -- we are aware of quite a few substantial  
3 reports that will be coming in before the closing date of  
4 the responses. You can see the topic of responses and  
5 you can see the chapters of the responses that have come  
6 in for, just to give you an idea of the topic that we are  
7 receiving. I think it's been very interactive and I  
8 think it's going to end up in us being able to do some  
9 revisions to the Business Plan before it is finalized  
10 that will make it clearly more transparent and more  
11 acceptable to the people of California, but I believe  
12 that the fundamentals are there and we're going to see a  
13 good finalization of this Business Plan quite soon.

14 On that note, the next slide, you know that we  
15 had a comment period closing on January the 16th.  
16 Unfortunately, on the day we announced this January 16th  
17 date, nobody shouted too loudly, but it is actually a  
18 holiday date, so the closing will be obviously on the  
19 morning of the 17th. We will take the final comments  
20 that are available on the morning of the 17th of January  
21 and then incorporate those. I mentioned that they are  
22 relatively substantial comments, but we want to make sure  
23 that we incorporate the comments or at least consider the  
24 comments as they come in and we will then finalize the  
25 Business Plan. We have to bring it to the Board and then  
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1 it will finally be released. I wanted to mention that to  
2 you because as soon as we know the volume of the final  
3 comments that are coming in on the 17th of January, we'll  
4 be able to communicate with the Board and with the public  
5 as to the process forward as to how long it will take for  
6 us to do the finalization of the document.

7 Again, I don't think that today we wanted to  
8 have a recap of the whole Business Plan. There's been a  
9 lot said about it. There are copies available. There  
10 are copies available on the website, but we would like to  
11 request comment from the public and make that available  
12 to the people of Southern California as well.

13 Not saying there were a lot of other business  
14 forums. There were a lot of other rail forums and some  
15 that we've had and some in Southern California where the  
16 Business Plan has been discussed and debated, but it's  
17 just that this particular Board meeting is taking place  
18 here and we would like to have your comments today as  
19 well.

20 Thank you, Mr. Chairman.  
21 CHAIRMAN UMBERG: Thank you, Mr. Van Ark.  
22 Mr. Browning, followed by Mr. Walsh, followed by

23 Mr. Descary.

24 Mr. Ross Browning.

25 MR. BROWNING: Are you sure I can do it this time?

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1 Good afternoon for the few of you who are still  
2 here. I ran across a little bit of difficulty in  
3 reviewing the Business Plan and the Funding Plan and I  
4 found that it centered around accounting. So I started  
5 looking back at what was available.

6 And on November 15th, Mr. Rossi, who's no longer  
7 here, spent a long period of time telling how he could  
8 not abide by personal or own facts and that profits are  
9 operating and not net. He must have said that a half a  
10 dozen times, very adamantly. That was on the 15th of  
11 November.

12 On December 14th at the Bakersfield meeting,  
13 Mr. Simmens said that the high-speed rail would generate  
14 a net operating profit.

15 On December 15th, Representative Andy Harris --  
16 and I believe he was talking with Mr. Zable of the FRA,  
17 but there was a little confusion going on there  
18 because -- over what a net or an operating profit really  
19 was, and Representative Harris said that -- stated that  
20 capital expenses must be included, but you cannot include  
21 them if you want to make a definition of it and it was  
22 never defined.

23 After Commissioner Simmens made that remark,  
24 Nancy Pelosi went on, Mr. Van Ark, you were talked to by  
25 the same representatives and you said that regarding

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1 profits that you stated the international costs, the  
2 operating and maintenance costs, the different economic  
3 levels of various countries were included.

4 I've got several questions. One is are we  
5 talking about a net operating profit? Are we talking  
6 about a net profit? Are we talking about an operating  
7 profit? What are we talking about? And Mr. Van Ark, I'd  
8 like you to tell me before you ride off into the sunset,  
9 sir -- congratulations on your decision -- what is  
10 "different economic levels of various countries" and how  
11 in the hell does it relate to us?

12 CHAIRMAN UMBERG: Thank you, Mr. Browning.

13 MR. BROWNING: Thank you.

14 CHAIRMAN UMBERG: All right.

15 Mr. Walsh? We'll have the same 90-second time  
16 period here, followed by Mr. --

17 MR. WALSH: Okay. We object. It's an unreasonable  
18 amount of time. I only see four Members here. You don't  
19 have a quorum. Check it out. I'm not certain. I'd  
20 like -- under California law, there must be a time  
21 certain for public hearing. It was 1:30; it is after  
22 3:00 o'clock. This is an illegal meeting. We will go to  
23 our lawyers. You will have to repeat it.

24 Also, under the Brown Act, we will file right

25 now a curiae letter. You have violated there.

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1 How many of you here arrived in L.A. by train?  
2 Raise your hand. Let it be known not one damn person  
3 arrived by train. Okay.

4 MR. VAN ARK: Here (indicating).

5 MR. WALSH: The Business Plan is totally bogus.

6 Now, Roelof, you got paid to come. You don't  
7 work here anymore, buddy. Put your hand down,  
8 Mr. Roelof.

9 You're one of the rats, along with Umberg, that  
10 are deserting the sinking ship and I'm willing to bet my  
11 left arm this organization won't be around in two or  
12 three years because big agribusiness is flooding you with  
13 suits. You are not -- lawsuits. You are not going to go  
14 through with big agribusiness and the central cities  
15 fighting you, and I'd like to point out the allotment of  
16 time is unreasonably brief.

17 Yeah, I'd just like to point out, as I said, and  
18 it's been tweeting all over California your high-speed  
19 trains look an awful lot like phalluses and it's  
20 incredibly how much they look like --

21 CHAIRMAN UMBERG: Thank you, Mr. Walsh. Your time  
22 has expired.

23 MR. WALSH: Thank you, and you are disrespectful and  
24 one of the worst I've ever seen, Mr. Umberg.

25 CHAIRMAN UMBERG: Thank you, Mr. Walsh.

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1 MR. WALSH: Scumberg.

2 CHAIRMAN UMBERG: Next we'll hear from Mr. Descary.

3 MR. DESCARY: I'm Bill Descary from Bakersfield. I  
4 actually didn't realize I was going to have a second  
5 opportunity to speak.

6 I spoke this morning about the public-private  
7 partnership definition, but I'd just like to take this  
8 opportunity to point out we've heard about the glowing  
9 endorsements from Mr. Van Ark, but I'd like to point out  
10 that the City of Bakersfield passed a resolution in  
11 opposition to this plan, and just last Tuesday the County  
12 of Tulare adopted a resolution in opposition. So it's  
13 not all glowing and I would just like to close by  
14 endorsing the findings of the Peer Review group.

15 Thank you.

16 CHAIRMAN UMBERG: Thank you. All right, sir.

17 Mr. Kelly, followed by Mr. Griffin.

18 MR. KELLY: Good afternoon. Thank you, all the  
19 people that stayed. It's unfortunate that some of the  
20 committee people have left.

21 I'm with the Teamsters Union. I'm out of  
22 Orange County. I think it's absolutely essential that we  
23 have high-speed rail in California. We are going to  
24 choke in -- under traffic congestion. We're already  
25 facing losing 25 percent of the cargo movement coming

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1 into California. We're going to probably lose it because  
2 of what's happening with the Panama Canal. I'm not going  
3 to go through all the math. I'm a trucking person, but I  
4 think as far as this Business Plan -- and I haven't read  
5 it -- I think we need to reach -- dig, dig down real deep  
6 and get the major railroads and the major trucking  
7 companies and the major corporations that utilize the  
8 highways and the byways and the rail and get them on  
9 board and get their inputs on what's going on and how  
10 this thing is going to be funded.

11 I can tell you I represent a lot of workers. I  
12 negotiate a lot of contracts. I can tell you we are not  
13 going to retain viability in California without a major  
14 high-speed rail project. I don't know whether it goes  
15 through the central part of the state or on the bookends  
16 or whatever, but I can tell you that the Teamsters Union  
17 and the bulk of organized labor and a lot of community  
18 people are completely in support of what you're doing.

19 So let's keep our eye on the prize and keep  
20 pushing it, because I'll tell you, if General Eisenhower  
21 when he was the President of the United States, if he had  
22 listened to all of the Luddites and backward people, we'd  
23 never have a highway system, we would never have an  
24 interstate highway system.

25 So anyway, let's move forward. Thank you for  
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1 your service.

2 CHAIRMAN UMBERG: Thank you, Mr. Kelly.

3 Mr. Griffin, followed by Majid Sarraf.

4 MR. GRIFFIN: I said earlier that we needed a  
5 350-mile-an-hour high-speed rail system and we do need  
6 it, and the way you're going to pay for it is to develop  
7 a new source of clean, safe, hydrogen-boron infusion  
8 energy which is being developed by the Navy at China Lake  
9 as we speak. They have it and it's funded by initial  
10 money from the first -- oh, the big bill that saved the  
11 banks. It paid 166, the stimulus plan.

12 But also, the function is very basic. It's what  
13 the sun produces as far as infusion of energy is  
14 concerned and it's what happened in the lightning, in our  
15 thunderstorms. Where the thunder comes from, there's an  
16 infusion of hydrogen together. But hydrogen and boron,  
17 we have 25 percent of the fuel, of boron, at Kramer  
18 Junction in the Valley, Antelope Valley, but we need to  
19 concentrate on the development of fusion of hydrogen and  
20 boron.

21 Look to Focusfusion.org and you can see how it's  
22 developed, based on these young men from Texas A&M who  
23 were funded by the jet propulsion lab to do this and they  
24 now are going public and they are very close to having it  
25 practical and workable. The Navy is also doing it, too.

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1 We now also have focus fusion, and focus fusion  
2 boron -- a hydrogen-boron fusion reactor being built in

3 Lake Forest under trial energy funded by Paul Allen --  
4 CHAIRMAN UMBERG: Thank you, Mr. Griffin.  
5 MR. GRIFFIN: Paul Allen of Microsoft. So go to  
6 Focusfusion.org, please. I'll write you more  
7 information.

8 CHAIRMAN UMBERG: Thank you, sir.  
9 Mr. Sarraf? Majid Sarraf?  
10 Okay. Daniel Krause, followed by Mr. Frank  
11 Oliveira.

12 MR. KRAUSE: I think I gave my comments earlier on  
13 the Business Plan. I didn't realize I'd have another  
14 chance, but I just wanted to say interesting news today  
15 and I thank you again, Mr. Van Ark, for all your service.  
16 You did a great job while you were here; and also for  
17 you, Mr. Umberg, for your leadership on the Board.

18 In terms of the Business Plan, specifically,  
19 again, we're just encouraging the Authority to look at  
20 creating another set of assumptions that would make it a  
21 more palatable and realistic approach going to such an  
22 extent on the conservative slash pessimistic end, which  
23 is what we feel after looking at it. It's affected  
24 public support. You know, from our view as an advocacy  
25 group, California for High-Speed Rail, we have seen some  
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1 drop in support, but we think if a new set of assumptions  
2 based on an opportunity to speed up the project, you  
3 know -- not saying that's going to happen, but it  
4 certainly could happen if things change, if Congress is  
5 changing over every two years now, and we think it'll  
6 probably happen again in 2013.

7 So putting a new analysis, at least something  
8 side by side, with what you already have may be useful in  
9 terms of the project in terms of getting a more realistic  
10 view of what's possible to move forward while also  
11 helpful to get support.

12 CHAIRMAN UMBERG: Thank you.

13 So Mr. Oliveira, followed by Mr. Dyson, and then  
14 finally Mr. Miller.

15 MR. OLIVEIRA: Frank Oliveira. As far as the  
16 Business Plan goes and what is written in the Business  
17 Plan, I support high-speed rail under Prop 1A. Give me a  
18 33 billion-dollar with a 10 billion-dollar state  
19 investment, 800-mile project and you have something  
20 going, but your Business Plan does not do that. So your  
21 Business Plan is probably illegitimate.

22 Other issues about the Board, the Board and the  
23 agency: There is misinformation that continually comes  
24 out in this project. Ridership numbers are not right.  
25 Funding is not right. Other things just aren't right. I  
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1 was kind of interested about this station alignment  
2 information. Tulare County is not working with Kings  
3 County, as reported in that packet of papers that you  
4 got. How much information are you basing decisions on

5 based on flawed information? Tulare County and Kings  
6 County have opposed this project. Other counties, other  
7 cities, will follow. The reason why they're following is  
8 because of communication. You folks are not  
9 communicating correct information.

10 In the station alignment discussion that  
11 occurred a little bit ago, the terminology was used that  
12 Kings and Tulare County -- well, that high-speed rail is  
13 indispensable to Kings and Tulare County.

14 If Kings and Tulare County -- well, if Kings  
15 County is suing you and both counties are opposing you,  
16 is that a true statement?

17 Thank you.

18 CHAIRMAN UMBERG: Thank you, sir.

19 Mr. Dyson, followed by Mr. Ron Miller. And  
20 Mr. Miller is the final commenter.

21 Going once, Mr. Dyson, Paul Dyson. Going twice,  
22 three times.

23 Mr. Ron Miller. Mr. Miller?

24 All right. Thank you very much. Members of the  
25 Board, we stand adjourned.

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1 (Proceedings concluded at 3:07 p.m.)

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